

**CITY OF YONKERS,  
NEW YORK**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**Fiscal Year Ended  
June 30, 2012**

**Prepared by the  
Office of Finance and Management  
Services**



CITY OF YONKERS, NEW YORK  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2012

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<b>STATISTICAL SECTION</b> <b>(Unaudited)</b>
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This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reveals about the City's overall financial health.

This section includes the following schedules:

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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**INTRODUCTORY  
SECTION**

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**THE CITY OF YONKERS GOVERNMENT**

**EXECUTIVE BRANCH**

**MIKE SPANO  
MAYOR**

**LEGISLATIVE BRANCH**

**CITY COUNCIL MEMBERS**

**CHUCK LESNICK, City Council President**

**WILSON A. TERRERO, Majority Leader  
CHRISTOPHER JOHNSON  
MICHAEL SABATINO**

**JOHN LARKIN, Minority Leader  
DENNIS SHEPHERD  
MIKE BREEN**

**ADMINISTRATIVE OFFICERS**

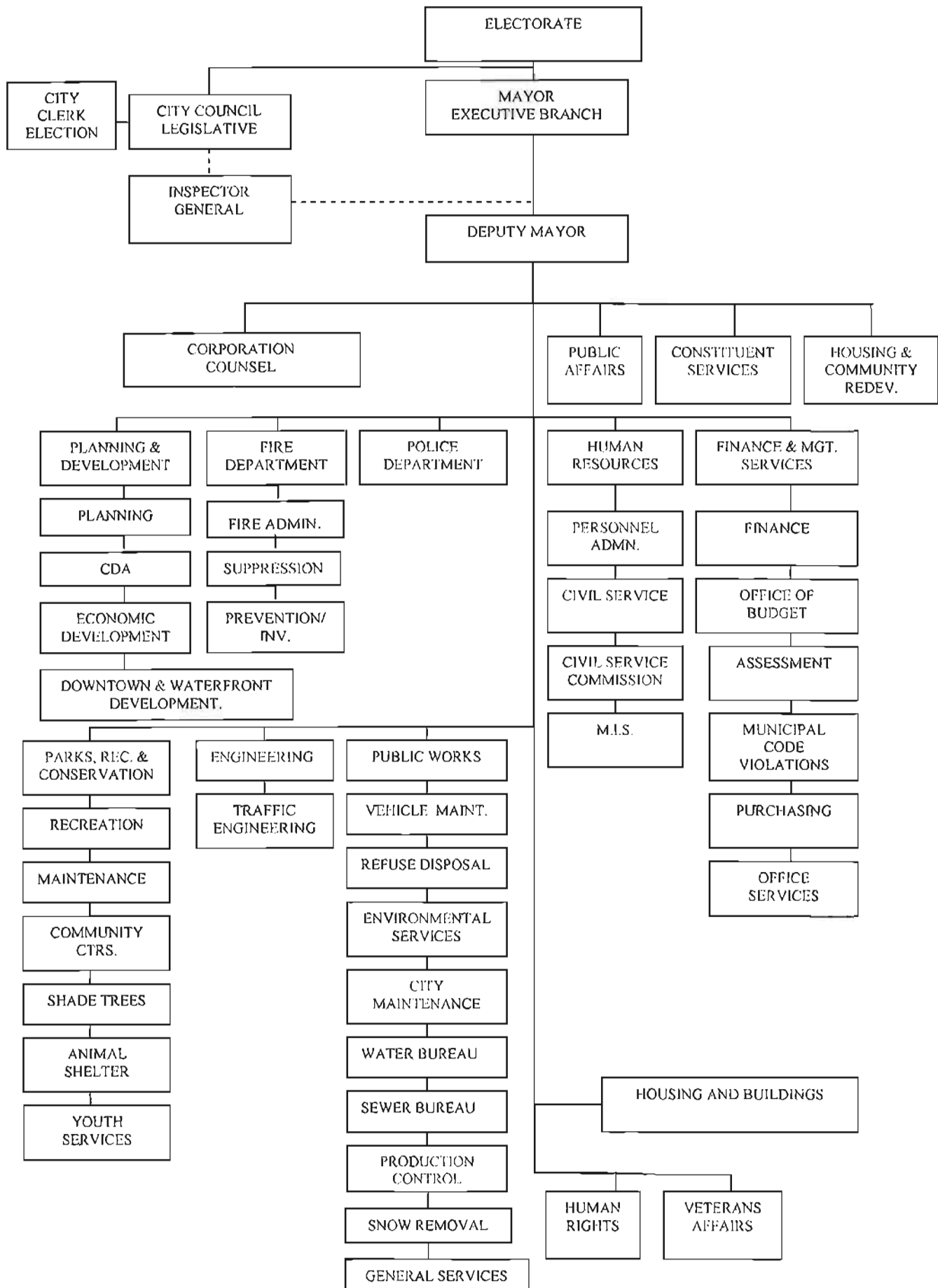
**SUSAN GERRY  
Deputy Mayor**

**STEVE LEVY  
Chief of Staff**

**JOHN LISZEWSKI  
Commissioner of Finance and Management Services**

**MICHAEL CURTI  
Corporation Counsel**

**CITY OF YONKERS  
ORGANIZATIONAL CHART  
2012**



MICHAEL J. SPANO  
MAYOR

JOHN A. LISZEWSKI  
COMMISSIONER



CITY HALL, ROOM 212  
40 SOUTH BROADWAY  
YONKERS, NEW YORK 10701  
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CITY OF YONKERS  
DEPARTMENT OF FINANCE AND MANAGEMENT SERVICES

March 29, 2013

To the Honorable Mayor  
and City Council of the  
City of Yonkers, New York

The Comprehensive Annual Financial Report ("CAFR") for the City of Yonkers, New York ("City") for the fiscal year ended June 30, 2012 is herewith submitted. The New York State Comptroller's Office and Section C4 - 9 of the City Charter requires the City to submit an annual report of the financial records and transactions presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR is issued pursuant to these requirements.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by O'Connor Davies, LLP, a firm of licensed certified public accountants. The portion of the financial statements containing references to Board of Education related information were audited by Bonadio & Co., LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the

accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audits, that there was a reasonable basis for rendering unqualified opinions that the City's basic financial statements for the fiscal year ended June 30, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The financial section includes a narrative introduction, overview and analysis of the June 30, 2012 financial statements to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports can be found immediately following the statistical section.

## **PROFILE OF THE CITY**

The City was incorporated in 1872. As provided by the New York State Constitution, the City operates pursuant to the City Charter, adopted in 1961 and subsequently amended. The City also operates in accordance with other State laws including General City Law, General Municipal Law and Local Finance Law, to the extent that such laws are applicable to a City operating under a charter form of government. The City also operates in accordance with the Special Local Finance and Budget Act of 1976 ("Act") for the City of Yonkers, New York.

The City is Westchester County's largest municipality, with a population of 195,976 according to the 2010 census. Ranking as the fourth largest city in New York State in terms of the number of residents, it covers an area of 18.3 square miles including more than four miles of prime waterfront land along the eastern shore of the majestic Hudson River. The downtown and central-city areas are built on rising terrain sweeping back from the Hudson River, an unrivaled geographic position in terms of natural beauty and accessibility to the pleasures and amenities that only a riverfront location can provide.

The City operates under a Mayor-Council form of government. The Mayor is elected for a four year term and is designated by the Charter to be the chief executive officer. The City Council President is elected City-wide for a four year term and the six City Council members are elected from single member districts for four year terms. All City elected officials are limited to eight years of consecutive service in the same position. The legislative power is vested in the City Council. The City Council President presides over the deliberations of the City Council. The main responsibilities of the City Council are to adopt the annual budget, levy taxes and authorize indebtedness.

The City is responsible for and maintains police, fire, sanitation, water services, streets, parks and playgrounds. Although it is also, in large measure, responsible for the financing of local primary and secondary educational expenditures, the Board of Education, comprised of members appointed by the Mayor, administers the City's school system. Pursuant to State law, the County of Westchester, not the City, is responsible for the local funding of mandated social service programs such as Medicaid, Family Assistance and Safety Net programs. The City is financially accountable for the Yonkers Downtown Waterfront Development Corporation ("Corporation") and the Yonkers Economic Development Corporation ("YEDC"), legally separate entities, which are reported as discretely presented component units within the City's basic financial statements. Additional information on the Corporation and YEDC can be found in Note 1, A in the notes to financial statements.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

### **Local Economy**

Just thirty minutes from midtown Manhattan, the City is blessed with numerous distinctive residential neighborhoods, both urban and suburban in character. The City is known for its diverse and highly skilled labor force, its splendid public resources and gardens, stately historic sites and public buildings, more than 100 parks and playgrounds, elementary and higher-educational facilities closely geared to the population's evolving needs, transportation and highway networks that speed connections to the New York Metropolitan Area and beyond – plus an array of ultra-modern shopping centers and retail facilities that form a core part of the City's economy.

The City is served by two private, not-for-profit hospital and medical-care centers, all of which have long-established reputations for technological excellence and advanced treatment. All these elements and more – the “mix” that makes the City so unique and inviting to new development and initiatives – are manifestations of the City's underlying and ever-growing strength as a flourishing business, commercial, and manufacturing center.

The City's metropolitan area has an abundance of well located development sites for large scale corporate and business projects and for a wide diversity of “human scale projects” (entertainment, dining, cultural and arts activities and more). The latter are expected to attract constituencies made up of local families and business groups as well as those from surrounding areas. The prime development sites are readily accessible through the City's impressive network of transportation and highway facilities. The goal for revitalization of these areas is this: by creating a “new” multi-faceted Yonkers, the City is destined to become a magnet for commercial activity.

The City is taking a strategic approach in moving toward its net milestones of growth. There are two distinct, but interrelated, parts to the plan. First, the City has dedicated itself to attracting specific categories of business, highly specialized technology firms (those servicing the internet and biotech industries, for example); service and professional groups, and light manufacturing or industrial companies, seeking to expand and/or relocate in an area that is literally minutes from the nation's largest marketplace. Second, it is also focusing on the need to foster opportunities for carefully planned and responsible development of residential housing, mixed-use projects, as well as recreational, entertainment, and hotel/conference-center facilities.

#### *Completed Economic Development Projects*

Construction is now completed on the following projects:

- The \$22 million unearthing or “daylighting” of the Saw Mill River at Larkin Plaza that transformed a parking lot into a river-themed park now known as Van Der Donck Park is complete.
- Both phases of the Hudson Park Apartments by Collins Enterprises featuring more than 550 market-rate residential units, office and retail space on the waterfront was completed.
- The Larkin Plaza aka Warburton Avenue Parking Garage has been completed, which creates 300 parking spaces, 120 of which are replacement for those spaces eliminated by the Daylighting project.
- Construction on the waterfront of a half mile Esplanade Park has been completed.

- Empire City at Yonkers Raceway has completed a major expansion and is now constructing another expansion.
- The rezoning of the downtown Yonkers and South Broadway corridor, which was completed in 2012.
- The construction of 66 Main Street, a geo-thermal, new construction 6 story building with 171 residential units and a parking garage.
- The new construction of 42 units at the Ashburton Avenue Senior building.
- The Father Pat Carroll Green is a city-sponsored housing project of 62 two-family townhouses, grouped within clusters of three-story buildings and off-street parking.
- The Warburton Avenue 300-car parking garage next to the Daylighting of the Saw Mill River opened March, 2013.
- Construction was completed at 49 North Broadway creating 92 units of work force housing.
- New Legoland Discovery Center to open March 27<sup>th</sup>, 2013 – The first in the Northeast.
- The build-out of the Y-Enterprise Business Center is complete and the Center is now opened. Its focus is on providing emerging businesses with access to fully-functional workspaces and the opportunity to grow.
- Ridge Hill Village opened in the spring of 2012 and includes 1.3 million square feet of retail space, residential housing units and 5,000 parking spaces.
- Cross County Shopping Center, the oldest outdoor shopping center in the country, has completed its \$350 million expansion and renovation.
- The new construction at 330 Riverdale Avenue, an 11-story building consisting of 137 "green" rental units (studios, one and two-bedroom units plus parking spaces).
- Lillie Pearl on the Hudson is a 12 unit, 3 ½ story multi-family complex.
- Station Plaza, a 70,000 square foot office building in the downtown area, is now completed.

### *Long-Term Financial Planning*

The City's future projects include the following:

- Collins III – Hudson Park North will be a luxury rental apartment building consisting of 294 one and two bedroom units, many of which have views of the Hudson River and Palisades or New York City.
- Cross County Shopping Center made a new application for the conversion of a dilapidated, eight-story office building into a hotel with a capacity of 150 rooms. It was spearheaded by the City's Industrial Development Agency and, upon its completion, will bring needed lodging

accommodations to the southern Yonkers area.

- New construction of a 450 seat Amphitheatre at the Hudson River Museum should be completed by July 2013.
- Development of 51 acres located at Alexander Street on the waterfront.
- The redevelopment of the former Teutonia Hall on Buena Vista into a mixed-use facility.
- The city is working with Empire City Casino as it undertakes a \$40 million dollar expansion that will add more jobs on site and increase its revenues.
- Upgrade and improvements to the Chrysler dealership on Central Avenue.
- Mixed use project at 244 South Broadway to provide quality housing for residents while maintaining the historic facade.
- Mills Street Courtyard – Phase II of the daylighting of the Saw Mill River between North Broadway, Warburton Avenue and Main Street connection.
- Phase III Daylighting at RPC -Yonkers used \$8 million in state grant funding to acquire properties for the next phase of the daylighting project.
- Rehabilitation of the Main Street Library to approximately 24 live/work residential units on the upper two floors and 8,000 square feet ground floor retail.
- Rising Development is the conversion of occupied and vacant buildings south of the daylighting project area into mixed use residential and commercial development. Approximately 223 residential units, 38,184 sq. ft. of retail, 78,009 sq. ft. of office space and 229,469 sq. ft. of a mechanized parking garage
- New construction of 353 residential units at the River Club.
- The rehabilitation of the former Glenwood Power Station into a \$200 million plan to convert the century-old brick building into a destination place, with a hotel, conference center, spa and variety of restaurants.
- Austin Avenue – Targeted development for mixed use.
- Redevelopment of the Boyce Thompson property into a mixed use development.
- Redevelopment of Longfellow School into a 70 unit residential development.

#### *Relevant Financial Policies*

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Certain elements of the City's budget process are prescribed under guidelines within the Special Local Finance and Budget Act of 1976 ("Act") for the City of Yonkers, New York. This Act was enacted and designed to prohibit the recurrence of practices that created fiscal



conditions that precluded the City access to financial markets. The most significant financial components of the Act require 1) that budgeted operating expenditures be limited to amounts not less than those of the previous audited year and requires revenues to be estimated at not more than those of the previous audited year, unless justification documents have been filed with the State Comptroller for support, 2) that any deficits from the previous year be budgeted, 3) a provision for uncollected taxes be budgeted by a set formula, 4) that the amount of fund balance that can be appropriated for use can be no more than the amount certified by the last completed independent audit and 5) that a separate fund be established to service the City's debt obligations and that a fixed percentage of the real property tax levy and a fixed portion of sales tax monies be deposited directly to ensure sufficient funds be available to satisfy bondholders. The City Charter and the Act require the budget to be presented to the City Council by April 15<sup>th</sup>. The City Council may alter, reject, add, increase or decrease any item in the proposed budget. The City Council will hold public hearings in May, and by Charter, adopts the budget no later than June 1<sup>st</sup>. The operating budget requires a simple majority (4 votes) for approval while the capital budget requires a super majority (5 votes). The Fiscal Agent, which is the State Comptroller, reviews the operating and capital budgets after adoption by the City Council, and certifies that the budget is in compliance with the Act.

The City prepared its 2011-12 operating and capital budgets in accordance with the guidelines prescribed by the Act and the Fiscal Agent certified the City's budget. The City does not foresee any issues with its ability to comply with the guidelines in the implementation of its near and long term initiatives.

## **AWARDS AND ACKNOWLEDGMENTS**

### **GFOA - Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2011. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

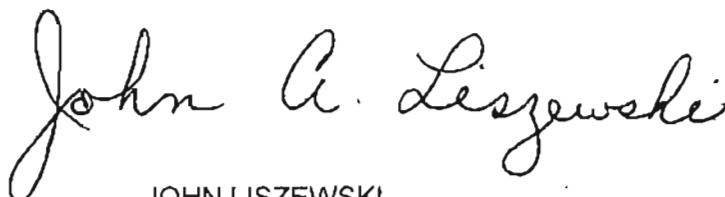
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

I would like to thank all the accounting and financial personnel who have assisted in the preparation of this report. In particular, I want to thank Patrick Luzzi, Chief Accountant and the entire Finance Department for their efforts, as well as our independent auditor who assisted in its preparation. I would also like to thank the Mayor and the City Council for their interest and support in the financial operations of the City.

Respectfully submitted,

A handwritten signature in black ink that reads "John A. Liszewski". The signature is written in a cursive style with a large, looping initial "J".

JOHN LISZEWSKI  
Commissioner of Finance  
and Management Services

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Yonkers  
New York

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Morinell*  
President

*Jeffrey R. Emer*  
Executive Director

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**FINANCIAL  
SECTION**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council  
of the City of Yonkers, New York:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Yonkers, New York ("City") as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Education Fund, the Education Special Aid Fund, the Education Capital Projects Fund, the School Lunch Fund and the Education Debt Service Fund for the year ended June 30, 2012, which represent 41% and 42%, respectively, of the City's total assets and revenues and other financing sources in the fund financial statements and \$(219,690,884) of net assets and 54% of program and general revenues in the government-wide financial statements. Those financial statements were audited by another auditor whose report thereon has been furnished to us and is dated January 23, 2013 and our opinion, insofar as it relates to amounts included for such funds and government-wide financial statements, is based on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditor provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of June 30, 2012 and the respective changes in financial position, thereof, and the respective budgetary comparison for the General, Education and Education Special Aid funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

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O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2013 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is also not a required part of the financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of the other auditor, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*O'Connor Davies, LLP*  
**O'Connor Davies, LLP**  
Harrison, New York  
March 21, 2013



**City of Yonkers, New York**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2012**

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**Introduction**

As management of the City of Yonkers, New York ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2012 are as follows:

- On the government-wide financial statements, the liabilities of the City exceeded its assets at the close of the most recent fiscal year by \$469.5 million (net assets). Of this amount, the unrestricted portion is a deficit of \$632 million. This deficit results primarily from the accrual of certain operating liabilities pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 34. The liabilities will be satisfied in future years, including borrowings for judgments and claims, retirement system obligations, compensated absences and the accrual of the City's annual other post employment benefit cost ("OPEB") in accordance with the provisions of GASB Statement No. 45.
- The City's total net assets decreased by \$88.9 million, from a deficit of \$390.9 million to a deficit of \$469.5 million, from the fiscal year ended June 30, 2011. This is net of a positive prior period adjustment to the net assets in the amount of \$10.2 million related to a change in the methodology with regard to pension amortization costs. The total decrease in net assets resulted primarily from the increase in the accrual of the City's other post employment benefit obligation in accordance with the requirements of GASB Statement No. 45.
- As of the close of the current fiscal year, the City's governmental fund financial statements reported a combined ending fund balance of \$158.2 million, an increase of \$70.8 million in comparison with the prior year (inclusive of the prior period adjustment noted above). Exclusive of the Capital Projects funds, the combined ending fund balances increased by \$33.5 million to \$86.4 million. Of this latter amount, \$34.8 million represents the total fund balance of the General Fund, of which \$20.9 million is unassigned and available for spending at the City's discretion. Additionally, \$42.5 million represents the total fund balance of the Education Fund, of which \$36.7 million was assigned to fund purchases on order (\$5.4 million), to balance the subsequent year's budget (\$15.1 million) with the remainder of assigned fund balance (\$16.1 million) available for spending at the Board of Education's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund of \$20.9 million represented 3.3% of total General Fund expenditures and other financing uses. The assigned fund balance for the Education Fund of \$36.7 million represented 7.8% of the total Education Fund expenditures and other financing uses.

- The City retired \$34.6 million of general obligation bonded debt, \$32.7 million of short-term capital debt and \$16.8 million of long-term bond anticipation note debt for tax certiorari obligations. The City issued \$113 million of new long-term debt during the fiscal year ended June 30, 2012.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### **Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers of the City's financial statements with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information reflecting how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes, earned but unused vacation leave, early retirement incentives and OPEB).

The government-wide financial statements present the functions of the City that are primarily supported by taxes and intergovernmental revenues. The governmental activities of the City include general government support, education, public safety, transportation, culture and recreation, home and community services and interest.

The government-wide financial statements include not only the City itself (the *primary government*) but also the Yonkers Downtown Waterfront Development Corporation and the Yonkers Economic Development Corporation, for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on the pages immediately following this section as the first three pages of the basic financial statements.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related

and legal requirements. All of the funds of the City are divided into two categories: governmental funds and fiduciary funds.

### Governmental Funds

*Governmental funds* account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Education Fund, Education Special Aid Fund, Community Development Fund, City Capital Projects Fund and Education Capital Projects Fund, which are considered to be major funds. Data for the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriation budget for its General Fund, Education Fund, and Education Special Aid Fund, which are major funds. A budgetary comparison statement has been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets. The City also adopts an annual appropriation budget for the Sewer, Water, Public Library, School Lunch, City Grants and Debt Service funds, which are non-major funds.

### Fiduciary Funds

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The City maintains only one type of fiduciary fund that is known as an agency fund. Resources are held in this fund by the City purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization or government.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

## **Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located following the basic financial statements section of this report.

## Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the required supplementary information for the City's OPEB obligations, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

## Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City, liabilities exceeded assets by \$469.5 million at the close of the current fiscal year.

### Net Assets

	June 30,	
	2012	2011
Current Assets	\$ 381,519,145	\$ 350,814,782
Capital Assets, net	<u>566,745,768</u>	<u>554,484,075</u>
<b>Total Assets</b>	<u><b>948,264,913</b></u>	<u><b>905,298,857</b></u>
Current Liabilities	204,104,989	245,472,139
Long-term Liabilities	<u>1,213,685,047</u>	<u>1,050,691,425</u>
<b>Total Liabilities</b>	<u><b>1,417,790,036</b></u>	<u><b>1,296,163,564</b></u>
<b>Net Assets:</b>		
Invested in Capital Assets, net of related debt	152,139,303	145,785,120
Restricted	10,390,761	10,091,958
Unrestricted	<u>(632,055,187)</u>	<u>(546,741,785)</u>
<b>Total Net Assets</b>	<u><b>\$ (469,525,123)</b></u>	<u><b>\$ (390,864,707)</b></u>

By far, the largest component of the City's net assets is its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens and consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions are \$10.4 million. The remaining balance of net assets, unrestricted net assets, is a deficit of \$632.1 million. This deficit must be financed from future operations. This deficit does not mean that the City does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including retirement incentives (\$39.9 million), claims payable (\$64.8 million), state loans payable (\$3.6 million), compensated absences (\$41.2 million) and OPEB obligations (\$520.9 million) that are greater than currently available resources. Payments for these liabilities will be budgeted in the years that the actual payments will be made. An additional portion of the deficit (\$52.2 million) results from bonds issued for previously paid judgments and claims.

## Changes in Net Assets

	June 30,	
	2012	2011
Program Revenues:		
Charges for Services	\$ 59,440,616	\$ 55,431,587
Operating Grants and Contributions	90,099,855	106,646,647
Capital Grants and Contributions	308,144	918,951
General Revenues:		
Real Property Taxes	292,352,321	286,255,827
Other Tax Items	72,026,152	64,637,100
Non-Property Taxes	115,619,511	101,458,201
Forfeitures	1,600	1,175
Unrestricted Use of Money and Property	256,191	270,688
Sale of Property and		
Compensation for Loss	307,875	14,628
Unrestricted State Aid	342,328,128	351,076,326
Federal Aid	75,522	8,155,256
Gain on Sale of Real Property	-	266,270
Miscellaneous	<u>8,407,534</u>	<u>5,258,895</u>
 Total Revenues	 <u>981,223,449</u>	 <u>980,391,551</u>
 Program Expenses:		
General Government Support	109,233,631	92,153,380
Education	574,517,266	584,220,136
Public Safety	245,285,519	253,462,854
Transportation	1,644,099	3,762,332
Culture and Recreation	24,923,829	20,244,726
Home and Community Services	92,983,418	78,678,985
Interest	<u>21,507,938</u>	<u>22,705,567</u>
 Total Expenses	 <u>1,070,095,700</u>	 <u>1,055,227,980</u>
 Change in Net Assets	 <u>(88,872,251)</u>	 <u>(74,836,429)</u>
 Net Assets – Beginning, As Reported	 (390,864,707)	 (316,028,278)
 Prior Period Adjustment	 <u>10,211,835</u>	 <u>-</u>
 Net Assets – Beginning, As Restated	 <u>(380,652,872)</u>	 <u>(316,028,278)</u>
 Net Assets - Ending	 <u>\$ (469,525,123)</u>	 <u>\$ (390,864,707)</u>

Governmental activities decreased the City's net assets by \$88.9 million. The total City's governmental activities revenues were \$981.2 million for the year ended June 30, 2012, a negligible increase of \$1 million, or less than .1% over the prior year. Real property taxes comprised 29.8%, while unrestricted State aid provided over 34.9% of these total revenues. Governmental activities expenses of the City for the year ended June 30, 2012 totaled \$1.1 billion, an increase of \$14.9 million, or 1.4%, over the prior year. Education expenses accounted for the largest portion (\$574.5 million or 53.7%), followed by public safety spending at \$245.3 million, or 23% of total expenses.

The major changes are as follows:

Revenues:

- Revenues from property taxes increased by \$6.1 million, or 2.1%, because of a 4.81% increase in the property tax rate from the prior year, partially offset by the loss in assessed valuation.
- Revenues from other tax items increased by \$7.4 million. This was primarily attributable to an increase in payments in lieu of taxes of \$7.5 million because of a one-time acceleration of payments in the prior year.
- Revenues from non-property tax items increased by \$14.2 million. The income tax surcharge increased by \$6.4 million in 2011-12, as this was the first full year with the legislated increase in effect. There was also a \$6.5 million increase in sales tax collections, due to the continued opening of retail stores in the Ridge Hill Development, and the expansion of the Cross County Shopping Center. Lastly, there was an increase in the admissions taxes collected at the Yonkers Empire Casino Raceway.
- Revenues from unrestricted Federal aid decreased by \$8.1 million, as the federal stimulus aid received under the American Recovery and Reinvestment Act ("ARRA") has been wound down.

Expenses:

- General government support expenses increased by \$17.1 million, primarily due to an increase in assessment review and tax certiorari settlements during the fiscal year.
- Education expenses decreased by \$9.7 million, or 1.66%, from the prior year. The decrease was due primarily to the reduction of positions in multiple Board of Education departments.
- Public safety expenses decreased by \$9.0 million due to the updated allocation of OPEB obligations.

### **Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Fund Balance Reporting**

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the City's fiscal period ending June 30, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that either are inherently nonspendable in the current period because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

#### Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$158.2 million, an increase of \$70.8 million (inclusive of the prior period adjustment of \$10.2 million) in comparison with the prior year. Exclusive of the Capital Projects Funds, the combined fund balances totaled \$86.4 million. Of this amount, \$6.3 million is in nonspendable form (\$3.06 million related to cash advances not anticipated to be repaid within one year, \$3.06 million related to long-term receivables, \$.16 million for inventories and \$.01 million for notes receivable) while \$2.2 million is restricted for various purposes (\$1.0 million for advances and \$1.2 million for special purposes). The Board of Trustees of the Board of Education committed another \$4.9 million of the fund balance for various school purposes (\$3 million for capital improvements or equipment, \$.5 million each for technology upgrades and OPEB obligations and \$.85 million for unemployment insurance). The assigned fund balance of \$52.5 million, exclusive of the Capital Projects Funds, is being utilized to 1) fund purchases on order (\$7.9 million), 2) balance the subsequent year's budget (\$8.9 million for the General Fund and \$15.1 million for the Education Fund) and 3) set aside funds for various specific purposes (\$16.2 million for education, \$.25 million for community development, \$.42 million for education debt service, \$.16 million for public library purposes, \$2.7 million for water purposes and \$.99 million for sewer purposes). The remainder of the total fund balance of \$20.6 million represents the unassigned fund balance in the General Fund of \$20.9 million, which is available for use at the City's discretion, offset by deficit balances in the Education Special Aid Fund (\$.19 million) and the non-major governmental funds (\$.13 million).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$34.8 million. Of this amount, \$3.07 million is in nonspendable form for funds advanced to the Community Development Fund not expected to be repaid in the subsequent year. Another \$8.9 million is assigned to be used in the fiscal year 2012-13 budget, while \$2 million is assigned to satisfy purchases on order at the end of the fiscal year. The remaining balance of \$20.9 million is available for use at the City's discretion. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 3.3% of total General Fund expenditures and other financing uses (up from 1.5% in the prior year), while total fund balance represents 5.6% of that same amount (up from 2.4% in the prior year).

When the fiscal 2011-12 General Fund budget was adopted, it anticipated the use of \$5.6 million of fund balance (\$3.2 million appropriated from the previous year and \$2.4 million of contract and purchase order commitments to be liquidated). However, actual results of operations did not require the use of any of this fund balance. In fact, fund balance was augmented by \$20.3 million, including the \$10.2 million prior period adjustment related to the City's pension liabilities.

Overall, General Fund expenditures were \$360.8 million (excluding other financing uses), which was \$19.8 million less than the final budget. There were budgetary savings, as well as several overages, noted in various areas:

- In the general government support area, overall savings of \$6.1 million were achieved. Savings compared to budget of \$3.0 million were realized in the reserve for uncollected taxes expenditure, as collections of delinquent property taxes improved and \$1.2 million in savings were achieved in general services, primarily due to a mild winter with less need for heating fuel. These savings were partially offset by overexpenditures of \$.89 million in tax remissions and \$.87 million in termination payments.
- Public safety expenditures exceeded budgetary authorization by \$2.56 million. Vacancies in the Fire Department resulted in overtime costs exceeding budgetary authorizations.
- Transportation expenditures came in \$1.28 million less than budgetary expectations, due to a mild winter that resulted in fewer purchases of salt and sand.
- Employee benefits came in \$12.1 million less than budgetary expectations. Most of these savings were due to an accounting change promulgated by the New York State Comptroller's Office after the City's budget had been adopted. The City had budgeted the gross cost of its retirement obligations in the employee benefits area with offsetting revenue for the portion the City intended to amortize. The State Comptroller modified the accounting treatment and allowed the amortized amount to be netted in the expenditure area. This treatment accounted for about \$10.8 million of these savings.
- Interest expenditures on short-term borrowings generated savings of \$2.3 million due to less borrowings than had been anticipated.

The General Fund revenues were \$614.4 million (excluding other financing sources), which was \$2.5 million more than the final budget due to the following reasons:

- Payments in lieu of taxes were better than anticipated by \$1.8 million. This was due to a Cross County Shopping Center Empire State Tax Credit and renegotiated PILOT contracts.
- Income tax revenues fell short of budgetary expectations by \$1.5 million, due to the overall downturn in the economy.
- Sales and use tax revenue exceeded budgetary expectations by \$2.5 million as a result of the opening of the Ridge Hill shopping center.



- Revenues from parking violations fell short of budgetary expectations by \$1.1 million due to the department having two less full time ticket writing agents.
- Revenues from interest and penalties on taxes did not meet budgetary expectations by \$865,141 due to improved tax collections.
- Utilities gross receipts taxes and cable franchise fees did not meet budgetary expectations by \$787,495 due to the reduction in overall utility costs.

The most significant special revenue fund of the City is the Education Fund. During fiscal year 2012, the City contributed \$224.7 million to the Education Fund. The major revenue source within the Education Fund, besides the City's contribution, was State aid, which amounted to \$249.4 million. The Education Fund expenditures and transfers out totaled \$470.6 million. At the end of the current fiscal year, the total fund balance of the Education Fund was \$42.5 million, of which \$36.7 million was assigned (including \$15.1 million to balance the 2012/13 fiscal year budget). The fund balance in the Education Fund was increased by \$9.8 million during the current fiscal year, primarily as a result of variety of savings achieved on the expenditure side of the budget. More detailed information can be obtained in the separately issued audited financial statements for the Yonkers Public Schools.

The City and Education Capital Projects funds reflected an increase in fund balance of \$37.3 million from the prior year, bringing the aggregate fund balances up to \$71.8 million. Total capital outlay expenditures were \$46.2 million, spent on school construction projects, various infrastructure improvements and equipment to support the City's various functions. This level of capital outlay is less than in the prior fiscal year. The funds spent were derived from bonded indebtedness authorized and issued in both the current and prior fiscal years.

### **General Fund Budgetary Highlights**

The total budget for the General Fund increased by \$20.0 million for the fiscal year ended June 30, 2012, reflecting the issuance of a bond to finance tax certiorari obligations. The Special Local Finance and Budget Act of 1976 for the City prohibits any amendments to the General Fund budget (other than budget transfers), except in the case of authorized debt issuances or subsequent changes in State aid allocated to the City. Actual revenues and other financing sources fell short of budgetary expectations by \$8.4 million. Actual expenditures and other financing uses were \$24.1 million less than budget. These variances were explained in the previous discussion.

### **Capital Assets**

The City's investment in capital assets for its governmental activities as of June 30, 2012 amounted to \$566.7 million (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure. The total net increase in the City's investment in capital assets for the current fiscal year was \$12.3 million.

Major capital asset events during the current fiscal year included the following:

- Rehabilitation was done to City and school buildings
- Improvements were made to the City Water System
- Improvement to the City infrastructure
- Purchase of Department of Parks, General Services and Police vehicles
- Improvement to City parks

The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30,	
	2012	2011
Land	\$ 24,517,166	\$ 24,517,166
Buildings and improvements	305,259,344	302,769,277
Machinery and equipment	25,070,524	27,098,716
Infrastructure	164,734,473	150,081,249
Construction-in-progress	47,164,261	50,017,667
Total Capital Assets, net of accumulated depreciation	<u>\$ 556,745,768</u>	<u>\$ 554,484,075</u>

More detailed information about the City's capital assets is presented in Note 3,G in the notes to financial statements.

### Long-term Debt

The City had general obligation and other long-term debt outstanding as follows:

	June 30,	
	2012	2011
Bonds Payable	\$ 519,774,591	\$ 437,472,776
Bonds Anticipation Notes Payable	-	16,800,000
Notes Payable	19,137,620	20,529,397
Loan Payable	341,770	-
State Loan Payable	3,600,000	3,800,000
State Loan Payable – Retirement	3,992,299	2,107,143
Compensated Absences	41,206,396	39,382,347
Retirement Incentives and Other Pension Obligations	39,910,862	35,785,393
Claims Payable	64,804,664	70,645,542
Other Post Employment Benefit Obligation	<u>520,916,845</u>	<u>424,168,827</u>
Total	<u>\$ 1,213,685,047</u>	<u>\$ 1,050,691,425</u>

During the 2011-2012 fiscal year, the City repaid long-term bond anticipation notes previously issued for tax certiorari obligations, retired \$34.6 million in long-term bonded indebtedness and issued \$113.0 million in new serial bonds.

The bond rating agencies, Moody's and Standard & Poor's, have assigned underlying ratings of "Baa1" and "BBB+", respectively, on all of the currently outstanding bond issues of the City. To save on the higher interest costs associated with these ratings levels, the City purchases bond insurance.

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the City may incur. The State Constitution provides that the City may not contract indebtedness in an amount greater than nine percent of the average full value of taxable real property in the City for the most recent five years. Certain indebtedness is excluded in determining the City's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional

limits and without affecting the City's authority to issue debt subject to the limit. At June 30, 2012 the City of Yonkers had used \$439,020,697 or 30.04% of the constitutional debt limit, leaving \$1,022,345,212 remaining to be used.

More detailed information about the City's long-term liabilities is presented in Note 3,L in the notes to financial statements.

### **Economic Factors and Next Year's Budget**

According to the United States Bureau of Labor Statistics, the unemployment rate for the City in December of 2012 was 8.4%. This is comparable with the rate of 8.2% for New York State, and 8.0% national unemployment rate. The 1.6% increase in the Consumer Price Index for the area (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA) from 2011 to 2012 was on par with the 1.7% increase recorded for the U.S. city average for the same period. City management was also aware that in 2012-13 there would most likely be increases in insurance and employee benefits (particularly medical insurance and retirement contributions). All of these factors were taken into consideration in developing the fiscal 2012-13 budget.

The General Fund budget for 2013 is \$641.3 million, as compared to the 2012 budget of \$628.5 million, an increase of \$12.8 million, or 2.04%. The City elected to use \$15.1 million of the fund balance at June 30, 2012 to balance the fiscal year 2013 budget. The City's combined tax rate for City and Board of Education operations increased from \$654.78 per thousand of assessed value to \$677.01, or a 3.4% increase.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Commissioner of Finance and Management Services, City of Yonkers, City Hall, 40 South Broadway, Yonkers, New York 10701 or visit the City's web page at [www.yonkersny.gov](http://www.yonkersny.gov).

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**BASIC  
FINANCIAL STATEMENTS**

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CITY OF YONKERS, NEW YORK  
STATEMENT OF NET ASSETS  
JUNE 30, 2012

	Primary Government	Component Units	
	Governmental Activities	Yonkers Downtown Waterfront Development Corporation	Yonkers Economic Development Corporation
<b>ASSETS</b>			
Cash and equivalents	\$ 92,919,382	\$ 43,115	\$ 210,000
Investments	86,016,951	9,902	-
Restricted cash	342,328	-	-
Receivables:			
Property taxes, net	25,775,077	-	-
Income taxes	553,381	-	-
Accounts, net	36,616,847	1,509,067	87,773
State and Federal aid	120,400,486	-	-
Notes	10,600	-	13,517,054
Loans	15,893,791	-	-
Loans - Component unit	2,095,421	-	-
Inventories	158,853	-	-
Prepaid expenses	-	33,295	-
Deferred charges	936,028	-	-
Capital assets:			
Not being depreciated	71,681,427	658,485	-
Being depreciated, net	495,064,341	1,148,200	-
<b>Total Assets</b>	<b>948,264,913</b>	<b>3,402,064</b>	<b>13,814,827</b>
<b>LIABILITIES</b>			
Accounts payable	51,355,015	1,238,399	85,987
Accrued liabilities	39,891,521	-	-
County taxes payable	30,109,955	-	-
Retainages payable	1,864,546	-	-
Employee payroll deductions	176,622	-	-
Due to other governments	20,364,639	-	-
Revenue anticipation notes payable	2,500,000	-	-
Bond anticipation notes payable	975,000	-	-
Unearned revenues	9,710,623	-	-
Accrued interest payable	8,793,038	138,762	12,534
Due to retirement systems	38,364,030	-	-
Line of credit payable to bank	-	119,443	-
Non-current liabilities:			
Due within one year	72,228,524	353,656	-
Due in more than one year	1,141,456,523	2,442,709	2,629,000
<b>Total Liabilities</b>	<b>1,417,790,036</b>	<b>4,292,969</b>	<b>2,727,521</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	152,139,303	(811,849)	-
Restricted for:			
Capital projects	629,494	-	-
Special purposes	1,136,989	-	-
Debt service	462,171	-	-
Community development projects	7,624,421	-	-
Sewer	537,686	-	-
Unrestricted	(632,055,187)	(79,056)	11,087,306
<b>Total Net Assets</b>	<b>\$ (469,525,123)</b>	<b>\$ (890,905)</b>	<b>\$ 11,087,306</b>

The notes to financial statements are an integral part of this statement.

CITY OF YONKERS, NEW YORK  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government -				
Governmental activities:				
General government support	\$ 109,233,631	\$ 16,533,157	\$ -	\$ -
Education	574,517,266	2,983,150	69,636,199	41,261
Public safety	245,285,519	7,675,845	3,465,982	-
Transportation	1,644,099	474,493	1,233,034	-
Culture and recreation	24,923,829	2,631,213	390,181	248,935
Home and community services	92,983,418	29,142,758	14,957,958	-
Interest	21,507,938	-	416,501	17,948
Total Governmental Activities	\$ 1,070,095,700	\$ 59,440,616	\$ 90,099,855	\$ 308,144
Component units:				
Yonkers Downtown Waterfront Development Corporation	\$ 2,786,351	\$ -	\$ 2,998,273	\$ -
Yonkers Economic Development Corporation	359,850	444,595	-	10,915,054
Total Component Units	\$ 3,146,201	\$ 444,595	\$ 2,998,273	\$ 10,915,054
General Revenues:				
Real property taxes				
Other tax items:				
Interest and penalties on real property taxes				
Payments in lieu of taxes				
Real estate transfer taxes				
School tax relief reimbursement				
Supplemental real estate taxes				
Water Fund				
Non-property taxes:				
Income taxes				
Sales and use taxes				
Off-track betting surcharge				
Raceway admissions taxes				
Raceway impact fees				
Utilities gross receipts taxes				
Cable television franchise fees				
Forfeitures				
Unrestricted use of money and property				
Sale of property and compensation for loss				
Unrestricted State aid				
Unrestricted Federal aid				
Miscellaneous				
Total General Revenues				
Change in Net Assets				
Net Assets - Beginning, As Reported				
Prior Period Adjustment				
Net Assets - Beginning, As Restated				
Net Assets - Ending				

The notes to financial statements are an integral part of this statement.



Net (Expense) Revenue and Changes in Net Assets		
Primary Government	Component Units	
Governmental Activities	Yonkers Downtown Waterfront Development Corporation	Yonkers Economic Development Corporation
\$ (92,700,474)	\$ -	\$ -
(501,856,656)	-	-
(234,143,692)	-	-
63,428	-	-
(21,653,500)	-	-
(48,882,702)	-	-
(21,073,489)	-	-
(920,247,085)	-	-
-	211,922	-
-	-	10,999,799
-	211,922	10,999,799
292,352,321	-	-
2,980,080	-	-
20,484,594	-	-
5,856,004	-	-
37,125,647	-	-
867,900	-	-
4,711,927	-	-
36,034,915	-	-
65,611,322	-	-
299,378	-	-
39,615	-	-
4,568,506	-	-
7,044,971	-	-
2,020,804	-	-
1,600	-	-
256,191	908	87,507
307,875	-	-
342,328,128	-	-
75,522	-	-
8,407,534	-	-
831,374,834	908	87,507
(88,872,251)	212,830	11,087,306
(390,864,707)	(1,103,735)	-
10,211,835	-	-
(380,652,872)	(1,103,735)	-
\$ (469,525,123)	\$ (890,905)	\$ 11,087,306

## CITY OF YONKERS, NEW YORK

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

	General	Education	Education Special Aid	Community Development
<b>ASSETS</b>				
Cash and Equivalents	\$ 72,362,715	\$ 200	\$ -	\$ 2,915,161
Investments	5,643,973	-	-	-
Restricted Cash	-	-	-	342,328
Receivables:				
Property taxes, net	25,775,077	-	-	-
Income taxes	553,381	-	-	-
Accounts, net	9,489,283	4,218,325	-	438,612
State and Federal aid	21,815,573	70,575,924	16,912,688	2,172,384
Notes	10,600	-	-	-
Loans	491,101	-	-	15,202,690
Loans - Component unit	-	-	-	2,095,421
Due from other funds	8,236,819	31,965,748	257,249	16,305,340
Advances to other funds	3,060,621	1,000,000	-	-
	69,432,455	107,759,997	17,169,937	36,214,447
Inventories	-	-	-	-
Total Assets	\$ 147,439,143	\$ 107,760,197	\$ 17,169,937	\$ 39,471,936
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 38,600,206	\$ 259,268	\$ -	\$ 570,833
Accrued liabilities	11,292,450	24,673,813	2,402,376	31,019
County taxes payable	30,109,955	-	-	-
Retainages payable	-	-	-	-
Employee payroll deductions	176,622	-	-	-
Due to other governments	-	8,223,604	854,035	11,287,000
Revenue anticipation notes payable	-	-	-	2,500,000
Bond anticipation notes payable	-	-	-	-
Due to other funds	-	14,099	13,913,526	14,062,293
Advances from other funds	-	-	-	3,060,621
Deferred revenues	4,450,863	1,557,148	-	4,650,388
Deferred tax revenues	21,528,707	-	-	-
Due to retirement systems	6,465,031	30,506,502	-	-
Total Liabilities	112,623,834	65,234,434	17,169,937	36,162,154
Fund Balances (Deficits):				
Nonspendable	3,071,221	-	-	3,060,621
Restricted	-	1,000,000	-	-
Committed	-	4,850,000	-	-
Assigned	10,825,579	36,675,763	193,100	249,161
Unassigned	20,918,509	-	(193,100)	-
Total Fund Balances	34,815,309	42,525,763	-	3,309,782
Total Liabilities and Fund Balances	\$ 147,439,143	\$ 107,760,197	\$ 17,169,937	\$ 39,471,936

The notes to financial statements are an integral part of this statement.

City Capital Projects	Education Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 15,228,010	\$ -	\$ 2,413,296	\$ 92,919,382
80,004,608	-	368,370	86,016,951
-	-	-	342,328
-	-	-	25,775,077
-	-	-	553,381
-	60	22,470,567	36,616,847
-	48,759	8,875,158	120,400,486
-	-	-	10,800
-	-	-	15,693,791
-	-	-	2,095,421
-	90,694,195	4,105,939	151,565,290
-	-	-	4,060,621
-	90,743,014	35,451,664	356,771,514
-	-	158,853	158,853
\$ 95,232,618	\$ 90,743,014	\$ 38,392,183	\$ 536,209,028
\$ 4,307,995	\$ 16,344	\$ 7,600,369	\$ 51,355,015
18,450	651,082	822,331	39,891,521
-	-	-	30,109,955
1,351,415	508,295	4,836	1,864,546
-	-	-	176,622
-	-	-	20,364,639
-	-	-	2,500,000
975,000	-	-	975,000
49,630,427	56,357,955	17,586,990	151,565,290
-	-	1,000,000	4,060,621
351,137	-	5,098,144	16,107,680
-	-	-	21,528,707
-	-	554,016	37,525,549
56,634,424	57,533,676	32,666,686	378,025,145
-	-	158,853	6,290,695
38,598,194	-	1,177,812	40,776,006
-	-	-	4,850,000
-	33,209,338	4,518,985	85,671,926
-	-	(130,153)	20,595,256
38,598,194	33,209,338	5,725,497	158,183,883
\$ 95,232,618	\$ 90,743,014	\$ 38,392,183	\$ 536,209,028

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## CITY OF YONKERS, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO  
 THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
 JUNE 30, 2012

Fund Balance - Total Governmental Funds	\$ 158,183,883
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	566,745,768
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charges	936,028
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Real property taxes	21,528,707
Sale of real property	525,270
Departmental income	5,871,787
	27,925,764
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable - Judgments and claims	(52,191,683)
Bonds payable - Capital construction	(467,582,908)
Notes payable	(19,137,620)
State loan payable	(3,600,000)
State loan payable - retirement	(3,992,299)
Loan payable	(341,770)
Compensated absences	(41,206,396)
Retirement incentives and other pension obligations	(39,910,862)
Claims payable	(64,804,664)
Other post employment benefit obligations payable	(520,916,845)
Due to retirement systems	(838,481)
Accrued interest payable	(8,793,038)
	(1,223,316,566)
Net Assets of Governmental Activities	\$ (469,525,123)

The notes to financial statements are an integral part of this statement.

## CITY OF YONKERS, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	General	Education	Education Special Aid	Community Development
<b>REVENUES</b>				
Real property taxes	\$ 289,233,129	\$ -	\$ -	\$ -
Other tax items	67,314,225	-	-	-
Non-property taxes	115,619,511	-	-	-
Departmental income	25,340,524	-	-	898,299
Charges for services	-	488,747	-	-
Use of money and property	722,936	371,909	-	10,397
Forfeitures	-	1,600	-	-
Sale of property and compensation for loss	19,495	307,875	-	-
Interfund revenues	-	930,311	-	-
State aid	113,228,032	249,395,366	11,782,391	-
Federal aid	143,119	75,522	31,086,527	7,743,627
Food sales	-	-	-	-
Miscellaneous	2,787,817	4,062,569	250,526	-
Total Revenues	614,408,788	255,633,899	43,119,444	8,652,323
<b>EXPENDITURES</b>				
Current:				
General government support	84,799,011	-	-	-
Education	-	330,236,604	37,064,050	-
Public safety	137,655,423	-	-	-
Transportation	334,870	-	-	-
Culture and recreation	7,258,464	-	-	-
Home and community services	24,995,602	-	-	8,750,302
Employee benefits	104,487,020	118,132,533	7,919,206	-
Cost of food sales	-	-	-	-
Debt Service:				
Principal	-	932,774	-	-
Interest	1,317,370	703,204	-	-
Capital Outlay	-	-	-	-
Total Expenditures	360,847,760	450,005,115	44,983,256	8,750,302
Excess (Deficiency) of Revenues Over Expenditures	253,561,028	(194,371,216)	(1,863,812)	(97,979)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	20,000,000	-	-	-
Issuance premium	-	-	-	-
Loans issued	-	-	-	341,770
Issuance costs	-	-	-	-
Transfers in	2,527,470	224,749,240	1,863,812	-
Transfers out	(266,001,102)	(20,604,771)	-	-
Total Other Financing Sources (Uses)	(243,473,632)	204,144,469	1,863,812	341,770
Net Change in Fund Balances	10,087,396	9,773,253	-	243,791
Fund Balances - Beginning of Year, As Reported	14,516,078	32,752,510	-	3,065,991
Prior Period Adjustment	10,211,835	-	-	-
Fund Balances - Beginning of Year, As Restated	24,727,913	32,752,510	-	3,065,991
Fund Balances - End of Year	\$ 34,815,309	\$ 42,525,763	\$ -	\$ 3,309,782

The notes to financial statements are an integral part of this statement.

City Capital Projects	Education Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 289,233,129
-	-	4,711,927	72,026,152
-	-	-	115,619,511
-	-	28,106,777	54,345,600
-	-	1,677,908	2,166,655
-	-	17,948	1,123,190
-	-	-	1,600
-	-	-	327,370
-	-	-	930,311
-	41,261	4,750,278	379,197,328
-	-	13,064,614	52,113,409
-	-	2,122,494	2,122,494
248,935	-	973,106	8,322,953
248,935	41,261	55,425,052	977,529,702
-	-	-	84,799,011
-	-	-	367,300,654
-	-	5,371,120	143,026,543
-	-	1,233,035	1,567,905
-	-	7,834,992	15,093,456
-	-	31,155,018	64,900,922
-	-	1,929,359	232,468,118
-	-	6,996,278	6,996,278
-	-	52,370,633	53,303,407
-	-	17,710,416	19,730,990
39,982,179	6,237,494	-	46,219,673
39,982,179	6,237,494	124,600,851	1,035,406,957
(39,733,244)	(6,196,233)	(69,175,799)	(57,877,255)
49,930,000	27,555,000	15,645,000	113,130,000
4,814,408	348,183	-	5,162,591
-	-	-	341,770
-	(170,223)	-	(170,223)
785,000	-	67,049,602	296,975,124
-	-	(10,369,251)	(296,975,124)
55,529,408	27,732,960	72,325,351	118,464,138
15,796,164	21,536,727	3,149,552	60,586,883
22,802,030	11,672,611	2,575,945	87,385,165
-	-	-	10,211,835
22,802,030	11,672,611	2,575,945	97,597,000
\$ 38,598,194	\$ 33,209,338	\$ 5,725,497	\$ 158,183,883

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## CITY OF YONKERS, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	\$ 60,586,883
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. This amount is less than the total capital outlay since capital outlay includes amounts under the capitalization threshold and, therefore, were not capitalized.	-
Capital outlay expenditures	36,176,980
Depreciation expense	(23,871,621)
Loss on disposal of capital assets	(43,666)
	<u>12,261,693</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	3,119,192
Departmental income	<u>1,504,866</u>
	<u>4,624,058</u>
Bond, note and loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.	
Bonds issued	(113,130,000)
Premium on bonds issued	(5,162,591)
Principal paid on bonds	34,560,000
Principal paid on notes	1,391,777
Principal paid on bond anticipation notes	16,800,000
Principal paid on State loan	200,000
Principal paid on state loan - retirement	351,630
State loan issued	(2,236,786)
Loan issued	(341,770)
Amortization of issuance costs, loss on refunding bonds and issuance premium	<u>1,486,496</u>
	<u>(66,081,244)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(1,824,049)
Retirement incentives and other pension obligations	(4,125,469)
Claims payable	5,840,878
Other post employment benefits payable	(96,748,018)
Accrued interest payable	(3,207,724)
Due to retirement systems	<u>(199,259)</u>
	<u>(100,263,641)</u>
Change in Net Assets of Governmental Activities	\$ <u>(88,872,251)</u>

The notes to financial statements are an integral part of this statement.

## CITY OF YONKERS, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL, EDUCATION AND EDUCATION SPECIAL AID FUNDS  
 YEAR ENDED JUNE 30, 2012

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 288,847,776	\$ 288,847,776	\$ 289,233,129	\$ 385,353
Other tax items	65,562,876	65,562,876	67,314,225	1,751,349
Non-property taxes	115,045,285	115,045,285	115,619,511	574,226
Departmental income	25,384,219	25,384,219	25,340,524	(43,695)
Charges for services	-	-	-	-
Use of money and property	838,525	838,525	722,936	(115,589)
Forfeitures	-	-	-	-
Sale of property and compensation for loss	215,000	215,000	19,495	(195,505)
Interfund revenues	-	-	-	-
State aid	113,908,739	113,908,739	113,228,032	(680,707)
Federal aid	21,450	21,450	143,119	121,669
Miscellaneous	2,103,506	2,103,506	2,787,817	684,311
<b>Total Revenues</b>	<b>611,927,376</b>	<b>611,927,376</b>	<b>614,408,788</b>	<b>2,481,412</b>
<b>EXPENDITURES</b>				
Current:				
General government support	70,868,937	90,868,940	84,799,011	6,069,929
Education	-	-	-	-
Public safety	135,091,842	135,091,842	137,655,423	(2,563,581)
Transportation	1,611,000	1,611,000	334,870	1,276,130
Culture and recreation	7,486,227	7,486,227	7,258,464	227,763
Home and community services	25,383,161	25,383,158	24,995,602	387,556
Employee benefits	116,600,066	116,600,066	104,487,020	12,113,046
Debt Service:				
Principal	-	-	-	-
Interest	3,624,000	3,624,000	1,317,370	2,306,630
<b>Total Expenditures</b>	<b>360,665,233</b>	<b>380,665,233</b>	<b>360,847,760</b>	<b>19,817,473</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>251,262,143</b>	<b>231,262,143</b>	<b>253,561,028</b>	<b>22,298,885</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	20,000,000	20,000,000	-
State loan issued	10,839,551	10,839,551	-	(10,839,551)
Transfers in	2,527,470	2,527,470	2,527,470	-
Transfers out	(270,267,719)	(270,267,719)	(266,001,102)	4,266,617
<b>Total Other Financing Sources (Uses)</b>	<b>(256,900,698)</b>	<b>(236,900,698)</b>	<b>(243,473,632)</b>	<b>(6,572,934)</b>
<b>Net Change in Fund Balances</b>	<b>(5,638,555)</b>	<b>(5,638,555)</b>	<b>10,087,396</b>	<b>15,725,951</b>
Fund Balances - Beginning of Year, As Reported	5,638,555	5,638,555	14,516,078	8,877,523
Prior Period Adjustment	-	-	10,211,835	10,211,835
Fund Balances - Beginning of Year, As Restated	5,638,555	5,638,555	24,727,913	19,089,358
<b>Fund Balances - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34,815,309</b>	<b>\$ 34,815,309</b>

Education Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
418,580	418,580	488,747	70,167
130,000	130,000	371,909	241,909
5,000	5,000	1,600	(3,400)
-	-	307,875	307,875
1,056,516	1,056,516	930,311	(126,205)
246,785,551	246,785,551	249,395,366	2,609,815
20,000	20,000	75,522	55,522
4,061,976	4,061,976	4,062,569	593
<u>252,477,623</u>	<u>252,477,623</u>	<u>255,633,899</u>	<u>3,156,276</u>
-	-	-	-
347,539,713	351,539,712	330,236,604	21,303,108
-	-	-	-
-	-	-	-
-	-	-	-
126,082,010	122,042,727	118,132,533	3,910,194
829,653	932,775	932,774	1
885,440	782,318	703,204	79,114
<u>475,336,816</u>	<u>475,297,532</u>	<u>450,005,115</u>	<u>25,292,417</u>
<u>(222,859,193)</u>	<u>(222,819,909)</u>	<u>(194,371,216)</u>	<u>28,448,693</u>
-	-	-	-
1,174,013	1,174,013	-	(1,174,013)
224,749,240	224,749,240	224,749,240	-
<u>(19,720,996)</u>	<u>(19,760,280)</u>	<u>(20,604,771)</u>	<u>(844,491)</u>
<u>206,202,257</u>	<u>206,162,973</u>	<u>204,144,469</u>	<u>(2,018,504)</u>
<u>(16,656,936)</u>	<u>(16,656,936)</u>	<u>9,773,253</u>	<u>26,430,189</u>
16,656,936	16,656,936	32,752,510	16,095,574
-	-	-	-
<u>16,656,936</u>	<u>16,656,936</u>	<u>32,752,510</u>	<u>16,095,574</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,525,763</u>	<u>\$ 42,525,763</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL (Continued)  
 GENERAL, EDUCATION AND EDUCATION SPECIAL AID FUNDS  
 YEAR ENDED JUNE 30, 2012

	Education Special Aid Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ -	\$ -	\$ -	\$ -
Other tax items	-	-	-	-
Non-property taxes	-	-	-	-
Departmental income	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Forfeitures	-	-	-	-
Sale of property and compensation for loss	-	-	-	-
Interfund revenues	-	-	-	-
State aid	11,560,758	11,560,758	11,782,391	221,633
Federal aid	38,696,096	38,406,812	31,086,527	(7,320,285)
Miscellaneous	319,842	319,842	250,526	(69,316)
<b>Total Revenues</b>	<b>50,576,696</b>	<b>50,287,412</b>	<b>43,119,444</b>	<b>(7,167,968)</b>
<b>EXPENDITURES</b>				
Current:				
General government support	-	-	-	-
Education	43,336,529	43,336,529	37,064,050	6,272,479
Public safety	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Home and community services	-	-	-	-
Employee benefits	7,970,204	7,970,204	7,919,206	50,998
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	<b>51,306,733</b>	<b>51,306,733</b>	<b>44,983,256</b>	<b>6,323,477</b>
Excess (Deficiency) of Revenues Over Expenditures	(730,037)	(1,019,321)	(1,863,812)	(844,491)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	-	-	-
State loan issued	-	-	-	-
Transfers in	730,037	1,019,321	1,863,812	844,491
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>730,037</b>	<b>1,019,321</b>	<b>1,863,812</b>	<b>844,491</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances - Beginning of Year, As Reported	-	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balances - Beginning of Year, As Restated	-	-	-	-
<b>Fund Balances - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF YONKERS, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUND  
JUNE 30, 2012

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash - Demand deposits	\$ 12,626,570
Investments	125,546
Accounts Receivable	<u>6,157,698</u>
Total Assets	<u>\$ 18,909,814</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 1,636,328
Employee Payroll Deductions	8,306,545
Deposits	8,663,957
Student Activity Funds	<u>302,984</u>
Total Liabilities	<u>\$ 18,909,814</u>

The notes to financial statements are an integral part of this statement.

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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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**Note 1 - Summary of Significant Accounting Policies**

The City of Yonkers, New York ("City") was incorporated in 1872 and operates in accordance with its Charter, as revised, and the various applicable laws of the State of New York. Since 1976, the City is also governed by the provisions of the Special Local Finance and Budget Act of New York State for the City of Yonkers. The City functions under a Mayor-Council form of government. The City Council serves as the legislative body responsible for overall operation and the Mayor serves as the chief executive officer. The City provides the following services to its residents; public safety, transportation, culture and recreation, home and community services and general and administrative services. The Board of Education ("Board") of the City is responsible for providing education services to the residents of the City. The members of the Board are appointed by the Mayor. The Board is, pursuant to Section 2551 of Education Law, a legally separate entity. Inasmuch as the Board has no taxing power, relies solely upon the City for appropriations, and, while it may be sued in its own name, recourse exists to the City and therefore the Board may not be defined as a separate legal entity for financial reporting purposes pursuant to the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 14. These provisions indicate that the Board is part of the primary government of the City.

The accounting policies of the City conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City's more significant accounting policies:

**A. Financial Reporting Entity**

The financial reporting entity consists of a) the primary government which is the City, b) organizations for which the City is financially accountable and c) other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the City's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following component units are included in the City's reporting entity because of their operational or financial relationship with the City.

The Yonkers Downtown Waterfront Development Corporation ("Corporation") is a not-for-profit corporation, established pursuant to Section 501(c)(3) of the Internal Revenue Code, to develop and/or rehabilitate properties in the City for the cultural and economic benefit of its citizens. The Corporation has a December 31st fiscal year end. The Board of Directors consists of fifteen directors; six are Municipal Directors and nine are Business/Public Directors. The Business/Public Directors are appointed by the Mayor for three year terms. The Municipal Directors are: the Mayor, the Commissioner of Planning and Development, a designee of the City Council, a designee of the Yonkers members of the County Board of Legislators, a designee of the Westchester County Executive and a designee of the City's delegation to the New York State Legislature. Board members have complete responsibility for the management of the Corporation and accountability for fiscal matters. Financial support in the form of grants, loans and property has been provided by the City through its Community Development funds. The loan portion is required to be repaid and

**Note 1 - Summary of Significant Accounting Policies (Continued)**

consequently there is a potential financial burden to the City. Since the Corporation does not provide services entirely or almost entirely to the City, the financial statements of the Corporation have been reflected as a discretely presented component unit.

The Yonkers Economic Development Corporation ("YEDC") is a not-for-profit local development corporation created under the provisions of Section 115 of the Internal Revenue Code for the purpose of assisting the Yonkers Industrial Development Agency ("Agency") with promoting and supporting the development of commerce, bolstering employment and stimulating economic growth and prosperity in the City by providing certain taxable and tax exempt financial assistance on occasions where incentives are no longer provided by the Agency or in instances where the Agency's ability to assist economic development projects has been significantly limited. The Corporation has a December 31<sup>st</sup> fiscal year end. Members of the Board of Directors of the YEDC are appointed by the Mayor. YEDC members have complete responsibility for management of the YEDC and accountability for fiscal matters. The City is not liable for YEDC bonds or notes. The governing board of the YEDC serves at the pleasure of the Mayor and, therefore, the City is able to impose its will on the YEDC. Since the YEDC does not provide services entirely or almost entirely to the City, the financial statements of the YEDC have been reflected as a discretely presented component unit.

Complete financial statements of the individual component units can be obtained from their respective administrative offices at the addresses indicated below:

Yonkers Downtown Waterfront Development Corporation  
City Hall - Room 414  
Yonkers, New York 10705

Yonkers Economic Development Corporation  
470 Nepperhan Avenue  
Yonkers, New York 10701

The following organizations are related to the City:

The Yonkers Industrial Development Agency is a public benefit corporation created by State legislation to promote the economic welfare, recreation opportunities and prosperity of the inhabitants of the City. Members of the Agency are appointed by the Mayor for a specified term. Agency members have complete responsibility for management of the Agency and accountability for fiscal matters. The City is not liable for Agency bonds or notes.

The Yonkers Housing Authority is a public benefit corporation created by State legislation to promote the development of adequate housing for the citizens of the City. Members of the Authority are appointed by the Mayor for a specified term. Authority members have complete responsibility for management of the Authority and accountability for fiscal matters. The City is not liable for Authority bonds or notes.

The Yonkers Parking Authority is a public benefit corporation created to service and operate the City's parking facilities. Members of the Authority are appointed by the Mayor for a specified term. While the City does provide some accounting services, Authority members have complete responsibility for management of the Authority and accountability for fiscal matters. The City is not liable for Authority bonds or notes.



**Note 1 - Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole and its component unit. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. The primary government is reported separately from the legally separate component unit.

The Statement of Net Assets presents the financial position of the City and its component unit at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The City does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Fund Financial Statements**

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, liabilities, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The City's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

**Fund Categories**

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the City's major governmental funds.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

the City and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the City are as follows:

Education Fund - The Education Fund is used to account for the operation of the Yonkers City School District in accordance with the Education Law of the State of New York. The primary revenue sources for this fund are real property taxes transferred from the General Fund and State aid.

Education Special Aid Fund - The Education Special Aid Fund is used to account for special projects or programs of the School District which are supported in whole or in part with Federal, State or local sources of funds.

Community Development Fund - The Community Development Fund is used to record the operations of the grant programs operated by the City's Community Development Agency. The primary revenue source for this fund is federal aid.

City Capital Projects Fund - The City Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets for City purposes.

Education Capital Projects Fund - The Education Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlay, including the acquisition or construction of major capital facilities and other capital assets for School District purposes.

The City also reports the following non-major governmental funds:

Special Revenue Funds:

Sewer Fund - The Sewer Fund was established pursuant to the General Municipal Law of the State of New York and is used to account for sewer operations financed by sewer rents.

Water Fund - The Water Fund is used to record the water utility operations of the City which render services primarily on a user charge basis to the general public.

Public Library Fund - The Public Library Fund was established pursuant to the Education Law of the State of New York and is used to account for the operations of the City's library system.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs operated by the School District.

City Grants Fund - The City Grants Fund is used to record the financial activity of certain Federal, State and local funded grant programs.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the City in accordance with the terms of a trust agreement.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

- b. Fiduciary Fund (Not Included in Government-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the City in an agency capacity on behalf of others. Among the activities included in the Agency Fund are the student activity funds. The Agency fund is also used to account for employee payroll tax withholdings and various other deposits that are payable to other jurisdictions or individuals.

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus and utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants

**Note 1 - Summary of Significant Accounting Policies (Continued)**

are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, certain pension costs and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**Component Unit**

The component units are presented on the basis of accounting that most accurately reflect their activities. The Corporation and YEDC are accounted for using the economic resources measurement focus and the accrual basis of accounting. The Corporation and YEDC apply all applicable Financial Accounting Standards Board ("FASB") pronouncements issued after November 30, 1989 in accounting and reporting for their operations.

**E. Assets, Liabilities and Net Assets or Fund Balances**

**Deposits, Investments and Risk Disclosure**

**Cash and Equivalents** - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The City's deposit and investment policies are governed by State statutes. The City has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The City is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the City's policy provides for no credit risk on its deposits or investments.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The City has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

The City utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging

**Note 1 - Summary of Significant Accounting Policies (Continued)**

financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the City's name. The City's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2012.

**Investments** - All investments are stated at fair value, which is based on quoted market prices. The detail of these investments and their related risks are described in Note 3A.

The City was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

**Restricted Cash** - Certain assets are classified as restricted because their use is limited. Restricted cash included in the Community Development Fund will serve as collateral to fund any shortfalls in debt service payments relating to a financial assistance agreement with the Yonkers Economic Development Corporation.

**Property Taxes Receivable** - Real property taxes attach as an enforceable lien on real property and are levied on the date confirmed by the City Council. The taxes are payable in three installments. The first installment is due on the later of thirty days after confirmation by the City Council or July 6th. The second and third installments are due on October 6th and January 6th, respectively. The City is also responsible for the billing and collection of the City's share of the real property tax levy of Westchester County ("County"). County taxes are generally billed in the first ten days of March and are payable in one installment on April 6th. The City guarantees the full payment of the County warrant and assumes responsibility for uncollected taxes.

The City functions in both a fiduciary and guarantor relationship with the County with respect to the collection and payment of real property taxes levied by the County. The County Charter provides for the City to collect the taxes and remit them as collected to the County, except that the City must remit sixty percent of the amount levied by the County on May 25th and the balance of forty percent on October 15th. Thus, the City's fiduciary responsibility is from the date of the levy until October 15<sup>th</sup>, at which time the City must satisfy its obligation to the County regardless of the amounts collected.

The City's financial statements include an allowance for uncollectible taxes which was established based on collection experience.

**Income Taxes Receivable** - The City Council, with approval by the State of New York, has imposed an income tax surcharge on residents and a non-resident gross receipts tax. The State of New York acts as the intermediary collecting agent for the City and remits collections, less an administrative charge, to the City on a monthly basis.

**Other Receivables** - Other receivables include amounts due from other governments and individuals for services provided by the City. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.



**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Due From/To Other Funds** - During the course of its operations, the City has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2012, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Advances To/From Other Funds** - Advances to/from other funds represent loans to other funds which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by restricted fund balance in the fund financial statements, which indicates that the funds are not "available" for appropriation or expenditures and are not expendable available financial resources.

**Inventories** - Inventories in the School Lunch Fund consist of food and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The City uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and year-end balances are not material.

**Prepaid Expenses** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in the government-wide financial statements. Prepaid expenses consist of various costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year and will benefit such periods.

**Deferred Charges** - Deferred charges in the government-wide financial statements represent the unamortized portion of the cost of issuance of certain bonds. These costs are being amortized over the term of the respective bond issue.

**Capital Assets** - Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and used an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year).

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012

**Note 1 - Summary of Significant Accounting Policies (Continued)**

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the primary government and component unit are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Primary Government:	
Buildings and Improvements	15-100
Machinery and Equipment	5-20
Infrastructure	20-50
Component Unit - Buildings and Improvements	40

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

**Unearned/Deferred Revenues** - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Deferred revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported deferred revenues of \$21,528,707 for real property taxes and \$4,450,863 for accounts and loans receivable in the General Fund, \$1,557,148 for accounts receivable in the Education Fund, \$4,650,388 for loans receivable and Federal aid in excess of expenditures in the Community Development Fund, \$351,137 for State and local aid received in advance in the City Capital Projects Fund and \$5,098,144 for Federal and State aid in excess of expenditures in non-major governmental funds - City Grants Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

**Long-term Liabilities** - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects or Debt Service fund expenditures.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Compensated Absences** - The various collective bargaining agreements provide for the payment of accumulated vacation, sick and terminal leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Assets as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

**Net Assets** - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for capital projects, special purposes, debt service, community development projects and sewer purposes. The balance is classified as unrestricted.

**Fund Balance** - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal or Education Law of the State of New York.

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The City Council is the highest level of decision making authority that can, by the adoption of resolutions and ordinances submitted to them by the Mayor prior to the end of the fiscal year, commit fund balance. The Board of Education is the highest level of decision making authority for School District operations that can, by the adoption of resolutions prior to the end of the fiscal year, commit fund balance. These funds may only be used for the purpose specified unless the City or Board of Education removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the City Council and/or the Board of Education.



**Note 1 - Summary of Significant Accounting Policies (Continued)**

Assigned fund balance, in the General Fund, will represent amounts constrained either by the City Council for amounts assigned for balancing the subsequent year's budget or the Commissioner of Finance for amounts assigned for encumbrances. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: committed, assigned, and unassigned.

**F. Encumbrances**

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, certain Special Revenue and Capital Projects funds. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities (See Note 3,N)

**G. Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**H. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 21, 2013.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

Certain elements of the City's budget process are prescribed by the Special Local Finance and Budget Act. This Act limits budgeted expenditures to amounts not less than those of the previous audited year and requires revenues to be estimated at not more than those of the previous audited year, unless justification documents have been filed with the Office of the State Comptroller as support.

The City generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) The various operating departments generally submit their requests for the ensuing year's appropriations in January.
- b) During January and February, these requests are reviewed by the Budget Department.
- c) The Mayor reviews the departmental requests during February and March.
- d) The Charter and the Special Local Finance and Budget Act require the budget to be presented to the City Council by April 15th.
- e) The budget is referred to the Council's Budget Committee for deliberations and hearings.
- f) The City Council sets dates for the public hearings which are generally held in May.
- g) After the public hearings, the City Council adopts the budget which, by Charter, may not be later than June 1<sup>st</sup> or thirty days after adoption of the New York State budget, whichever is later.
- h) The Fiscal Agent (State Comptroller), as defined by the Special Local Finance and Budget Act, reviews the budget to determine the justification documents required.
- i) After adoption, the Fiscal Agent certifies that the budget is in compliance with the Special Local Finance and Budget Act.
- j) Formal budgetary integration is employed during the year as a management control device for General, certain Special Revenue and Debt Service funds.
- k) Budgets for General, certain Special Revenue and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. Capital Projects and Community Development funds are budgeted on a project basis. The City Council does not adopt an annual budget for the Special Purpose Fund.

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

- l) The City Charter has established legislative legal control of the City budget at the function level of expenditures. All transfers between appropriation accounts, at the function level, except those within the Executive Department, require approval by the City Council. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Council. The legally adopted budget for the Board of Education is controlled at the fund level of expenditures. Transfers between appropriation accounts require approval by the Superintendent. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations require Board of Education and City Council approval.
- m) Appropriations in General, certain Special Revenue and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the City Council. The major amendment for the current year was as follows -

General Fund -

Tax certiorari obligations funded by  
issuance of serial bonds

\$ 20,000,000

**B. Property Tax Limitation**

The City is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the City, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the tax levy for the 2011-2012 fiscal year was \$384,621,094, which exceeded the actual levy by \$122,355,505.

The Special Local Finance and Budget Act of the State of New York for the City of Yonkers requires the City to report its property tax revenues on a gross basis. Accordingly, uncollected taxes are recorded as an expenditure in the General Fund rather than as a reduction to property tax revenues.

**Note 2 - Stewardship, Compliance and Accountability (Continued)****C. Expenditures in Excess of Budget**

The following categories of expenditure exceeded their budgetary provisions by the amounts indicated:

## General Fund:

## Fiscal Services -

Office of Licensing	\$ 1,588
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## Special Items:

Taxes on City Property	41,200
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Tax Remissions	888,011
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Bond and Note Issuance Costs	144,793
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Judgments and Claims	207,128
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Termination Payments	869,437
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Metropolitan Commuter Transportation Mobility Tax	1,298
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Affordable Housing Subsidies	130,458
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## Public Safety:

Police Department	47,127
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Fire Prevention and Control -	
Fire Fighting	3,494,148

## Culture and Recreation:

Parks Maintenance	49,705
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Community Services	8,312
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## General Environment:

Planning	613
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Economic Development	18,595
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Housing and Community Redevelopment	92,865
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Affordable Housing	89,185
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Sanitation - Refuse Collection	140,495
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## Employee Benefits:

Disabled Firefighters' 207A Supplemental Pension	101,318
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Social Security and Medicare	585,693
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Workers' Compensation	2,045,223
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Transfers Out - Capital Projects Fund	785,000
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## Education Fund:

Instruction - Occupational Education	70,204
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Transfers Out	844,491
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## School Lunch Fund:

Employee Benefits	300,650
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Cost of Food Sales	52,809
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## Education Debt Service Fund -

Principal - State Loan Retirement	79,577
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NOTES TO FINANCIAL STATEMENTS (Continued)  
 JUNE 30, 2012

**Note 2 - Stewardship, Compliance and Accountability (Continued)****D. Fund Deficit**

The School Lunch fund reflects an unassigned deficit of \$130,153 at June 30, 2012. The City plans to address this deficit in the ensuing year.

**E. Prior Period Adjustment**

In the current year, it was determined that the pension liability reported in the General Fund at June 30, 2011, for the accrual period of April 1, 2011 through June 30, 2011, was overstated due to the City's participation in the New York State Employer Contribution Stabilization Program. This program allowed municipalities to amortize a portion of their annual Employees' Retirement System and/or Police and Fire Retirement System bills in an amount that equaled the difference between the City's actuarially determined contribution rates and the Systems' overall graded contribution rates. The City continued to record its accrual period obligation as if was satisfying its full actuarially required contribution even though it had elected to participate in this program. Accordingly, a prior period adjustment of \$10,211,835 was recorded in the fund financial statements in the General Fund and in the government-wide financial statements.

**Note 3 - Detailed Notes on All Funds****A. Investments**

Investments of the primary government consist of the following:

Fund	Certificates of Deposit	Repurchase Agreements	U.S. Treasury Bills	Total Amortized Cost Which Approximates Fair Value
General	\$ 1,700,000	\$ 3,943,973	\$ -	\$ 5,643,973
City Capital Projects	-	-	80,004,608	80,004,608
Special Purpose	350,585	-	-	350,585
Debt Service	-	-	17,785	17,785
Agency	125,546	-	-	125,546
	<u>\$ 2,176,131</u>	<u>\$ 3,943,973</u>	<u>\$ 80,022,393</u>	<u>\$ 86,142,497</u>

The certificates of deposit are fixed rate investments that have maturities that are of a duration of between four and twelve months and are secured by FDIC coverage and collateral posted by the respective depository. The repurchase agreements are reinvested on a daily basis and are secured by the underlying investments in U.S. Treasury obligations held by a third party financial institution in the City's name. Accordingly, this group of investments is not subject to custodial credit risk, interest rate risk or foreign currency risk.

Investments of the component unit consist of certificates of deposit that have maturities greater than three months and are secured by FDIC coverage.

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012

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**Note 3 - Detailed Notes on All Funds (Continued)****B. Property Taxes Receivable**

Taxes receivable at June 30, 2012 consisted of the following:

Current year - City taxes	\$ 13,234,445
Current year - County taxes	3,172,509
Prior years - City and County taxes	27,369,933
Tax sale certificates	4,264,669
Property acquired for taxes	<u>3,761,047</u>
	51,802,603
Less - Allowance for uncollectible taxes	<u>(26,027,526)</u>
	<u>\$ 25,775,077</u>

**C. Notes Receivable – Component Unit**

Notes receivable of \$13,517,054 reflected in the YEDC (component unit) financial statements represents loans made to private developers for the construction of a public access parking garage and affordable housing units in the downtown Larkin Plaza area. The repayment terms, interest rates and maturities of each loan vary.

**D. Loans Receivable**

Loans receivable of \$491,101 reported in the General Fund as of June 30, 2012 represents a loan to the Yonkers Parking Authority as consideration for a permit of use granted to the Authority. Commencing February 1, 2012, the repayment terms require thirty annual payments of \$34,170, including interest at 5% per annum.

Loans receivable of \$15,202,690 reported in the Community Development Fund as of June 30, 2012 represent various loans issued to qualifying recipients under the Federal Home Investment Partnership Program and the Commercial Loan Program. The repayment terms and interest rates of each loan vary. It is the City's policy to recognize monthly payments as revenue in the year payment is received in the fund financial statements.

In the fund financial statements, portions of the above amounts have been reflected as deferred revenue since the amounts are not deemed "available" pursuant to generally accepted accounting principles.

**E. Loans Receivable - Component Unit**

Loans receivable - Component unit of \$2,095,421 in the Community Development Fund as of June 30, 2012 represent various loans issued between October 1995 and September 2009 to the Yonkers Downtown Waterfront Development Corporation. The repayment terms, interest rates and maturities of each loan vary. The loans are secured by properties owned by the Corporation. A portion of the above amount has been reflected as deferred revenue in the fund financial

NOTES TO FINANCIAL STATEMENTS (Continued)  
 JUNE 30, 2012

**Note 3 - Detailed Notes on All Funds (Continued)**

statements since the amount is not deemed "available" pursuant to generally accepted accounting principles.

**F. Due From/To Other Funds**

The balances reflected as due from/to other funds at June 30, 2012 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 8,236,819	\$ -
Education	31,965,748	14,099
Education Special Aid	257,249	13,913,526
Community Development	16,305,340	14,062,293
City Capital Projects	-	49,630,427
Education Capital Projects	90,694,195	56,357,955
Non-Major Governmental Funds	4,105,939	17,586,990
	<u>\$ 151,565,290</u>	<u>\$ 151,565,290</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

**G. Capital Assets**

Changes in the City's capital assets are as follows:

<u>Class</u>	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Capital Assets, not being depreciated:				
Land	\$ 24,517,166	\$ -	\$ -	\$ 24,517,166
Construction-in-progress	50,017,667	4,339,917	7,193,323	47,164,261
Total Capital Assets, not being depreciated	<u>\$ 74,534,833</u>	<u>\$ 4,339,917</u>	<u>\$ 7,193,323</u>	<u>\$ 71,681,427</u>
Capital assets, being depreciated:				
Buildings and Improvements	\$ 452,997,588	\$ 12,806,964	\$ -	\$ 465,804,552
Machinery and Equipment	106,925,215	6,035,813	860,314	112,100,714
Infrastructure	181,612,801	20,187,609	-	201,800,410
Total Capital Assets, being depreciated	<u>741,535,604</u>	<u>39,030,386</u>	<u>860,314</u>	<u>779,705,676</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	150,228,311	10,316,897	-	160,545,208
Machinery and Equipment	79,826,499	8,020,339	816,648	87,030,190
Infrastructure	31,531,552	5,534,385	-	37,065,937
Total Accumulated Depreciation	<u>261,586,362</u>	<u>23,871,621</u>	<u>816,648</u>	<u>284,641,335</u>
Total Capital Assets, being depreciated, net	<u>479,949,242</u>	<u>15,158,765</u>	<u>43,666</u>	<u>495,064,341</u>
Capital Assets, net	<u>\$ 554,484,075</u>	<u>\$ 19,498,682</u>	<u>\$ 7,236,989</u>	<u>\$ 566,745,768</u>

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012**Note 3 - Detailed Notes on All Funds (Continued)**

Depreciation expense was charged to City functions and programs as follows:

Governmental Activities:	
General Government Support	\$ 6,825,911
Education	6,192,322
Public Safety	4,605,671
Transportation	207,794
Culture and Recreation	3,428,036
Home and Community Services	<u>2,611,887</u>
Total Depreciation Expense	<u>\$ 23,871,621</u>

**Invested in Capital Assets, Net of Related Debt**

The City's investment in capital assets, net of related debt, at June 30, 2012 as reflected in the Statement of Net Assets consists of the following:

Capital Assets, net		\$ 566,745,768
Less:		
Bonds Payable - Capital Construction	(452,038,317)	
Bond Anticipation Notes Payable - Capital Construction	(975,000)	
Unamortized Premium on Bonds	(17,419,996)	
Notes Payable	<u>(19,137,620)</u>	(489,570,933)
Plus:		
Unamortized Portion of Issuance Costs	936,028	
Unamortized Loss on Refunding Bonds	1,875,405	
Unexpended Bond Proceeds	<u>72,153,035</u>	<u>74,964,468</u>
		<u>\$ 152,139,303</u>

**Capital Assets - Component Unit**

Changes in the capital assets of the Corporation (component unit) were as follows:

Class	Balance January 1, 2011	Additions	Balance December 31, 2011
Capital Assets, not being depreciated - Land	<u>\$ 658,485</u>	<u>\$ -</u>	<u>\$ 658,485</u>
Capital assets, being depreciated - Buildings and Improvements	\$ 1,706,145	\$ 135,053	\$ 1,841,198
Less Accumulated Depreciation for - Buildings and Improvements	<u>639,053</u>	<u>53,945</u>	<u>692,998</u>
Total Capital Assets, being depreciated, net	<u>1,067,092</u>	<u>81,108</u>	<u>1,148,200</u>
Capital Assets, net	<u>\$ 1,725,577</u>	<u>\$ 81,108</u>	<u>\$ 1,806,685</u>



NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012

**Note 3 - Detailed Notes on All Funds (Continued)****H. Accrued Liabilities**

Accrued liabilities at June 30, 2012 were as follows:

	Fund						Total Governmental
	General	Education	Education Special Aid	Community Development	City Capital Projects	Education Capital Projects	
Payroll and Employee Benefits	\$ 11,292,450	\$ 24,673,813	\$ 2,402,376	\$ 31,019	\$ 18,450	\$ 651,082	\$ 39,891,521

**I. Pension Plans**

The City participates in the New York State and Local Employees' Retirement System ("ERS"), the New York State and Local Police and Fire Retirement System ("PFRS") and the New York State Teachers' Retirement System ("TRS") ("Systems"). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law and Education Law. The Systems issue publicly available financial reports that include financial statements and required supplementary information for the Systems. These reports may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224 and the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395.

**Funding Policy** - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary for ERS and 3.5% for TRS without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions to ERS and PFRS are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions to ERS and PFRS consist of a life insurance portion and regular pension contributions. Pursuant to Article 11 of Education Law, actuarial contributions are established annually for TRS by the New York State Teachers' Retirement Board. Contribution rates for the plans' year's ending in 2012 are as follows:

	Tier/Plan	Rate
ERS	1 75I	21.5%
	2 75I	19.7
	3 A14	15.8
	4 A15	15.8
	5 A15	12.7
PFRS	1 384E2	26.3
	2 384E1	24.9
	2 384E2	24.9
	3 384E	20.4
	5 384E	18.8
TRS	1 - 5	11.11

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012**Note 3 - Detailed Notes on All Funds (Continued)**

Contributions made or accrued to the Systems for the current and two preceding years were as follows:

	ERS	PFRS	TRS
2012	\$ 14,709,321	\$ 20,454,696	\$ 25,139,916
2011	17,014,950	29,415,514	21,132,693
2010	11,545,452	24,478,711	14,016,861

The ERS, PFRS and TRS contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current year ERS, PFRS and TRS contributions were charged to the following funds:

Fund	ERS	PFRS	TRS
General	\$ 5,772,777	\$ 20,424,916	\$ -
Education	7,539,609	-	22,875,355
Education Special Aid	491,283	-	2,264,561
Education School Lunch	733,057	-	-
Community Development	84,702	-	-
City Grant	-	29,780	-
Sewer	87,893	-	-
	<u>\$ 14,709,321</u>	<u>\$ 20,454,696</u>	<u>\$ 25,139,916</u>

Prior to its participation in PFRS, the City had a pension plan covering firemen, policemen and their widows. It is the policy of the City to provide for payments to the beneficiaries of this plan out of current operations of the General Fund. The City is not required to pay benefits under this plan and the beneficiaries do not have a vested right to benefits. During the year ended June 30, 2012, \$113,100 was paid by the City.

**J. Short-Term Non-Capital Borrowings**

The schedule below details the changes in short-term non-capital borrowings. The borrowings for the General Fund consisted of notes issued in anticipation of the collection of State aid for the 2011-2012 fiscal year. The short-term borrowings for the Community Development Fund have been refinanced on a long-term basis from the issuance of serial bonds in the 2012-13 fiscal year.

	Balance July 1, 2011	Issues	Redemptions	Balance June 30, 2012
Revenue Anticipation Notes:				
General Fund	\$ -	\$ 75,000,000	\$ 75,000,000	\$ -
Community Development Fund	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
	<u>\$ -</u>	<u>\$ 77,500,000</u>	<u>\$ 77,500,000</u>	<u>\$ 2,500,000</u>

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012**Note 3 - Detailed Notes on All Funds (Continued)**

The \$75 million revenue anticipation note was issued on November 15, 2011 and was redeemed on June 29, 2012 with interest at 1.76%. The \$2,500,000 revenue anticipation note was renewed on March 2, 2012 and matures on March 1, 2013 with interest at 2.9%. Interest expenditure/expense of \$870,837 were recorded in the fund financial statements in the General Fund and in the government-wide financial statements.

**K. Short-Term Capital Borrowings**

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Maturity Date	Interest Rate	Balance July 1, 2011	New Issues	Redemptions	Balance June 30, 2012
<b>City Capital Projects Fund:</b>							
Ashburton Avenue Renewal Project	2009	-	- %	\$ 12,500,000	\$ -	\$ 12,500,000	\$ -
Various Capital Projects	2011	-	-	9,535,000	-	9,535,000	-
Acquisition of Parking Facilities in Larkin Plaza	2011	-	-	3,896,000	-	3,896,000	-
Various Capital Projects	2011	-	-	5,000,000	-	5,000,000	-
Various Capital Projects	2012	12/26/2012	1.29	-	975,000	-	975,000
				<u>30,931,000</u>	<u>975,000</u>	<u>30,931,000</u>	<u>975,000</u>
<b>Education Capital Projects Fund:</b>							
Partial Reconstruction of Various School Buildings	2011	-	-	2,000,000	-	2,000,000	-
Books and Equipment	2011	-	-	800,000	-	800,000	-
				<u>2,800,000</u>	<u>-</u>	<u>2,800,000</u>	<u>-</u>
				<u>\$ 33,731,000</u>	<u>\$ 975,000</u>	<u>\$ 33,731,000</u>	<u>\$ 975,000</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditure of \$302,500 was recorded in the fund financial statements in the General Fund. Interest expense of \$222,142 was recorded in the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012**Note 3 - Detailed Notes on All Funds (Continued)****L. Long-Term Liabilities**

The following table summarizes changes in the City's long-term liabilities for the year ended June 30, 2012:

	Balance July 1, 2011	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2012	Due Within One Year
<b>Governmental Activities:</b>					
<b>Bonds Payable:</b>					
General Fund	\$ 230,024,958	\$ 81,705,701	\$ 16,507,533	\$ 295,223,126	\$ 22,638,105
Education Fund	129,255,000	27,555,000	13,035,000	143,775,000	14,645,000
Water Fund	27,054,150	719,201	2,097,336	25,676,015	2,081,712
Sewer Fund	32,672,204	3,020,642	2,218,400	33,474,446	2,484,509
Public Library Fund	6,853,688	129,456	701,731	6,081,413	740,674
	<u>425,660,000</u>	<u>113,130,000</u>	<u>34,560,000</u>	<u>504,230,000</u>	<u>42,590,000</u>
Plus - Unamortized Premium on bonds	13,938,237	5,162,591	1,680,832	17,419,996	-
Less: Deferred Amounts on Refunding	<u>(2,125,461)</u>	<u>-</u>	<u>(250,056)</u>	<u>(1,875,405)</u>	<u>-</u>
	<u>437,472,776</u>	<u>118,292,591</u>	<u>35,990,776</u>	<u>519,774,591</u>	<u>42,590,000</u>
Bond Anticipation Notes Payable	16,800,000	-	16,800,000	-	-
Notes Payable	20,529,397	-	1,391,777	19,137,620	1,447,043
Loan Payable	-	341,770	-	341,770	-
State Loan Payable	3,800,000	-	200,000	3,600,000	200,000
State Loan Payable - Retirement	2,107,143	2,236,786	351,630	3,992,299	557,886
<b>Other Non-current Liabilities:</b>					
Compensated Absences	39,382,347	4,367,785	2,543,736	41,206,398	2,673,862
Retirement Incentives and Other Pension Obligations	35,785,393	8,156,671	4,031,202	39,910,862	7,927,841
Claims Payable	70,645,542	14,219,410	20,060,288	64,804,664	16,832,092
Other Post Employment Benefit Obligations	424,168,827	144,575,458	47,827,440	520,916,845	-
Total Other Non-current Liabilities	<u>569,982,109</u>	<u>171,319,324</u>	<u>74,462,666</u>	<u>666,838,767</u>	<u>27,433,795</u>
<b>Governmental Activities Long-Term Liabilities</b>	<u>\$ 1,050,691,425</u>	<u>\$ 292,190,471</u>	<u>\$ 129,196,849</u>	<u>\$ 1,213,685,047</u>	<u>\$ 72,228,524</u>
<b>Component Units:</b>					
Yonkers Downtown Waterfront Development Corporation - Loans:					
Primary Government	\$ 2,332,084	\$ -	\$ 236,663	\$ 2,095,421	\$ 259,313
Other	795,306	-	94,362	700,944	94,343
	<u>3,127,390</u>	<u>-</u>	<u>331,025</u>	<u>2,796,365</u>	<u>353,656</u>
Yonkers Economic Development Corporation - Loans - Other	-	2,629,000	-	2,629,000	-
<b>Component Units Long-Term Liabilities</b>	<u>\$ 3,127,390</u>	<u>\$ 2,629,000</u>	<u>\$ 331,025</u>	<u>\$ 5,425,365</u>	<u>\$ 353,656</u>

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012

**Note 3 - Detailed Notes on All Funds (Continued)**

Each governmental fund's liability for compensated absences, retirement incentives and other pension obligations, claims payable and other postemployment benefit obligations are primarily liquidated by the General and Education Funds. The City's indebtedness for bonds, notes, loans and state loans is satisfied by the City and Education Debt Service Funds, respectively, which are funded primarily by the General and Education Funds, respectively.

**Bonds Payable**

Bonds payable at June 30, 2012 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2012
Refunding Bonds	1997 C	\$ 13,550,000	August 2014	5.3 %	\$ 200,000
Environmental Facilities Corporation	1998 D	5,000,000	April 2018	1.582-3.132	1,755,000
Educational Facilities Improvements	1999 A	35,900,000	December 2017	4.5	5,185,000
Public Improvements	2002 A	17,541,000	July 2018	4.1-5.25	9,030,000
Educational Facilities Improvements	2002 B	7,000,000	July 2018	4.1-4.875	3,595,000
Public Improvements	2004 B	34,025,000	October 2018	4.0-4.125	19,280,000
Educational Facilities Improvements	2004 C	12,000,000	October 2018	3.5-4.125	6,685,000
Refunding Bonds	2004 A	37,550,000	December 2013	5.0	6,930,000
Public Improvements	2004 E	30,405,000	December 2016	5.0	15,900,000
Educational Facilities Improvements	2004 F	11,800,000	December 2014	3.125-5.0	4,340,000
Refunding Bonds	2005 A	72,700,000	August 2019	5.0	61,825,000
Public Improvements	2005 B	78,420,000	August 2035	5.0	70,100,000
Public Improvements	2006 A	44,850,000	September 2031	3.8-5.0	39,170,000
Educational Facilities Improvements	2006 B	7,790,000	September 2023	4.0-4.5	6,035,000
Public Improvements	2007 A	33,685,000	May 2021	4.5-5.0	25,325,000
Educational Facilities Improvements	2007 B	15,190,000	May 2028	4.0-4.25	13,050,000
Public Improvements	2008 A	38,690,000	November 2020	3.125-5.0	30,700,000
Educational Facilities Improvements	2008 B	17,985,000	November 2030	3.0-5.0	16,280,000
Qualified Zone Academy Bonds - Educational Facilities Improvements	2008 C	14,164,000	December 2018	-	10,600,000
Qualified Zone Academy Bonds - Educational Facilities Improvements	2009 A	13,836,000	December 2019	0.35	11,110,000
Public Improvements	2010 A	37,185,000	November 2024	2.0-5.0	34,005,000
Public Improvements	2011 A	85,575,000	October 2024	2.0-5.0	85,575,000
Public Improvements	2011 B	12,555,000	October 2027	2.0-5.0	12,555,000
Qualified School Construction Bonds - Educational Facilities Improvements	2011 C	15,000,000	December 2026	5.75	15,000,000
					<u>\$ 504,230,000</u>

Interest expenditures of \$13,014,220 and \$4,569,903 were recorded in the fund financial statements in the City and Education Debt Service Funds, respectively. Interest expense of \$19,479,492 was recorded in the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012**Note 3 - Detailed Notes on All Funds (Continued)****Bond Anticipation Notes Payable**

The schedule below details the changes in long-term non-capital borrowings:

Purpose	Year of Original Issue	Maturity Date	Interest Rate	Balance July 1, 2010	New Issues	Redemptions	Balance June 30, 2011
Tax Certiorari	2011	-	- %	\$ 14,800,000	\$ -	\$ 14,800,000	\$ -
Tax Certiorari	2011	-	-	2,000,000	-	2,000,000	-
				<u>\$ 16,800,000</u>	<u>\$ -</u>	<u>\$ 16,800,000</u>	<u>\$ -</u>

Interest expenditures of \$144,033 were recorded in the fund financial statements in the General Fund. Interest expense of \$88,151 was recorded in the government-wide financial statements for governmental activities.

The City, pursuant to FASB 6, had not recorded these liabilities in the fund financial statements in the prior year since it had demonstrated an ability to consummate refinancing as was evidenced by the issuance of serial bonds on October 11, 2011.

**Notes Payable**

The City, in 2003-04, entered into a contractual agreement to install energy saving equipment and/or to upgrade existing facilities at the City's skating rink to enhance performance. The terms of the contract provide for repayment over twenty years, with monthly installments of \$5,137 through January, 2024. Payments include interest at 0.88%. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms. The balance due at June 30, 2012 was \$673,999.

The City, in 2003-04, entered into a contractual agreement to upgrade existing facilities at the N-Valley Technology Center to enhance performance. The terms of the contract provide for repayment over twelve years, with monthly installments of \$25,216 through June 2014, \$19,018 through June 2015 and \$9,616 through December, 2016. Payments include interest at 0.84%. The balance due at June 30, 2012 was \$972,443.

The City, in 2008-09, entered into a contractual agreement to install energy saving equipment and/or to upgrade existing facilities at the City's Pier to enhance performance. The terms of the contract provide for repayment over fifteen years, with monthly installments of \$9,901 through March, 2024. Payments include interest at 0.84%. The balance due at June 30, 2012 was \$1,310,972.

During 2009, the School District entered into a contractual agreement for the acquisition of energy efficient equipment to assist the School District in reducing its ongoing energy costs. The terms of the agreement provide for annual installments in varying amounts from \$935,446 to \$943,580 including interest at 4.44%, through October, 2024. The balance due at June 30, 2012 was \$8,685,000.



NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012

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**Note 3 - Detailed Notes on All Funds (Continued)**

During 2011, the School District entered into a contractual agreement to finance energy saving upgrades. The terms of the agreement provide for semi-annual installments in varying amounts from \$344,944 to \$443,505 including interest at 3.77%, through February, 2024. The balance due at June 30, 2012 was \$7,495,206.

Interest expenditures of \$20,936 and \$703,204 were recorded in the fund financial statements in the City Debt Service Fund and the Education Fund, respectively. Interest expense of \$714,335 was recorded in the government-wide financial statements.

**Loan Payable**

The Community Development Agency ("Agency") has a loan payable to a bank in the amount of \$341,770 which bears interest at 2.16%. The proceeds have been deposited into a restricted cash account. These borrowings were used to fund an interest reserve such that the Agency would pledge the proceeds of the loan as a collateral device for the obligations of the Agency to cover any shortfalls in debt service costs associated with a financial assistance agreement with the Yonkers Economic Development Corporation ("YEDC"). The interest costs, representing an amount equal to 2% over interest earnings on the restricted cash proceeds held on deposit are paid by the YEDC. The loan is secured by a second lien leasehold mortgage and security agreement along with a second lien assignment of leases and rents on a ground lease on property located in the City. The note matures in August 2023.

**State Loan Payable**

The State of New York, pursuant to Chapter 88 of the Laws of 2000, accelerated \$6 million of Education State aid during the 1999-2000 fiscal year. In each of the subsequent 30 years, the aid formula enumerated in the statutes will reduce the accelerated portion by \$200,000 per year. Accordingly, at June 30, 2012, the City has recorded a liability of \$3,600,000. No interest is charged.

The provisions of the statute also require the School District's chief fiscal officer to monitor all budgets and prepare a quarterly report depicting revenue and expenditure trends. The reports require recommended remedial action by the Superintendent, if necessary, to resolve any unfavorable budget variances. The reports are to be submitted within sixty days after the end of the quarter to the Board of Education, the State Division of the Budget, the State Comptroller, the Commissioner of Education, the Chairman of the Assembly Ways and Means Committee and the Chairman of the Senate Finance Committee.

**State Loan Payable - Retirement**

The ERS charges to participating governments increased significantly in 2003. Consequently, the State Legislature enacted Chapter 49 of the Laws of 2003. This Chapter authorized local governments to amortize the portion of their respective 2004 contribution which exceeded 7% of covered payroll, over a ten year period, commencing in the 2005-06 fiscal year. The amortization payment would include interest at 5% per annum. The School District had elected to amortize the maximum allowable ERS contribution which aggregated \$2,325,012. The amount required to be amortized during the 2011-2012 fiscal year was \$301,100, including interest of \$53,384 and was recorded in the fund financial statements in the Education Debt Service Fund. The balance due at June 30, 2012 was \$819,969.

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012

**Note 3 - Detailed Notes on All Funds (Continued)**

Chapter 260 of the Laws of 2004 authorized local governments to amortize the portion of their respective 2005 contribution which exceeded 9.5% of covered payroll, over a ten year period, commencing in the 2006-07 fiscal year. The amortization payment would include interest at 5% per annum. The School District had elected to amortize the maximum allowable ERS contributions which aggregated \$373,904. The amount required to be amortized during the 2011-2012 fiscal year was \$48,422, including interest of \$10,482 and was recorded in the fund financial statements in the Education Debt Service Fund. The balance due at June 30, 2012 was \$171,703.

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The School District has elected to amortize the maximum allowable ERS contribution in each of the fiscal years since this option was first offered. The amount required to be amortized under this option during the 2011-2012 fiscal year was \$107,465, including interest of \$41,491 and was recorded in the fund financial statements in the Education Debt Service Fund. The balance due at June 30, 2012 was \$3,000,627.

Interest expenditures of \$105,357 were recorded in the fund financial statements in the Education Debt Service fund. Interest expense of \$132,981 was recorded in the government-wide financial statements.

**Payments to Maturity**

The annual requirements to amortize all bonded debt, notes and State loans outstanding as of June 30, 2012, including interest payments of \$177,812,667 are as follows:

Year Ending June 30,	Bonds		Notes		Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 42,590,000	\$ 23,996,905	\$ 1,447,043	\$ 687,549	\$ -	\$ 7,382
2014	43,220,000	19,862,553	1,502,050	642,419	-	7,382
2015	44,975,000	18,048,444	1,494,056	595,468	-	7,382
2016	45,139,999	16,169,497	1,448,555	546,681	-	7,382
2017	45,275,000	14,277,161	1,435,058	495,928	-	7,382
2018-2022	153,615,001	46,792,137	8,071,608	1,635,439	-	36,910
2023-2027	72,910,000	21,946,691	3,739,250	210,170	341,770	7,382
2028-2032	38,370,000	9,158,889	-	-	-	-
2033-2036	18,135,000	1,870,125	-	-	-	-
	<u>\$ 504,230,000</u>	<u>\$ 172,122,402</u>	<u>\$ 19,137,620</u>	<u>\$ 4,813,654</u>	<u>\$ 341,770</u>	<u>\$ 81,202</u>



NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012**Note 3 - Detailed Notes on All Funds (Continued)**

Year Ending June 30,	State Loan	State Loan - Retirement		Total	
	Principal	Principal	Interest	Principal	Interest
2013	\$ 200,000	\$ 557,686	\$ 171,655	\$ 44,794,729	\$ 24,863,491
2014	200,000	583,213	146,127	45,505,263	20,658,481
2015	200,000	609,931	119,410	47,278,987	18,770,704
2016	200,000	336,792	91,446	47,125,346	16,815,006
2017	200,000	302,578	77,241	47,212,636	14,857,712
2018-2022	1,000,000	1,602,099	189,530	164,288,708	48,654,016
2023-2027	1,000,000	-	-	77,991,020	22,164,243
2028-2032	600,000	-	-	38,970,000	9,158,889
2033-2036	-	-	-	18,135,000	1,870,125
	<u>\$ 3,600,000</u>	<u>\$ 3,992,299</u>	<u>\$ 795,409</u>	<u>\$ 531,301,689</u>	<u>\$ 177,812,667</u>

The above general obligation bonds, notes, loans and State loans are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the City.

**Compensated Absences**

City employees earn vacation leave based upon the terms of the respective collective bargaining agreements. Vacation leave is accumulated monthly and is payable upon termination. The maximum accumulation is dependent upon length of service and varies with each agreement. City employees, with at least 20 years of service to the City, are entitled to terminal leave upon retirement. Eligible employees receive one and one-half day's pay for each year of service to the City. Accumulated sick and personal leave lapses when employees leave the employ of the City and, upon separation of service, no monetary obligation exists. However, certain employees of the School District, upon separation of service, are compensated for unused sick days accumulated in the 1988-89 fiscal year. Additionally, certain School District employees with at least 20 years of service to the School District are entitled to receive payment for accumulated unused sick days upon retirement. The value of the compensated absences has been reflected in the government-wide financial statements.

**Retirement Incentives and Other Pension Obligations**

The ERS and PFRS charges to participating governments increased significantly in 2003. Consequently, the State Legislature enacted legislation in 2003 and 2004 that authorized local governments to amortize a portion of their respective contributions due in 2004, 2005 and 2006 and pay each of these obligations over a ten year period with interest at 5% per annum. The City elected to amortize the maximum allowable ERS and PFRS contributions for each respective year as noted in the table below.

In June 2010, the City and Board of Education approved a workforce reduction plan. An integral part of the plan was the adoption of Parts A and B of the 2010 Retirement Incentive Program offered by ERS, PFRS and TRS. Part A of the program provided eligible employees one month of additional service credit for each year of service up to 36 months. Part B of the program provided for no age reduction if the employees were at least age 55 with 25 years or more years of service credit. Participating employers were not required to eliminate vacated positions provided

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012**Note 3 - Detailed Notes on All Funds (Continued)**

they could demonstrate, over a two year period, savings of at least one-half of the base salary of the retiring employee. The estimated cost of the program was to be approximately 60% of the employee's final average salary. Payments are being made over a five year period with interest at 7.5%. The current year cost and balance due are noted in the table below.

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2004-2005 ERS	\$ 3,093,273	\$ 400,593	\$ 1,090,914	\$ 346,047
2004-2005 PFRS	12,442,380	1,621,203	4,388,093	1,391,941
2005-2006 ERS	463,297	60,366	211,221	49,663
2005-2006 PFRS	8,385,668	1,092,626	3,823,100	896,905
2006-2007 PFRS	9,051,881	1,172,260	5,075,272	918,496
2010-2011 ERS	754,907	97,764	694,888	63,019
2010-2011 PFRS	2,947,725	381,744	2,713,367	246,076
2010-2011 Incentive	17,983,872	4,444,979	13,757,336	3,328,402
2011-2012 ERS	2,106,476	-	2,106,476	177,494
2011-2012 PFRS	6,050,195	-	6,050,195	509,798
	<u>\$ 63,279,674</u>	<u>\$ 9,271,535</u>	<u>\$ 39,910,862</u>	<u>\$ 7,927,841</u>

The current year payments were charged to retirement expenditures in the funds identified below:

Fund	ERS	PFRS	Total
General Fund	\$ 1,528,374	\$ 4,267,833	\$ 5,796,207
Education Fund	3,475,328	-	3,475,328
	<u>\$ 5,003,702</u>	<u>\$ 4,267,833</u>	<u>\$ 9,271,535</u>

**Claims Payable**

The government-wide financial statements reflects general and workers' compensation liabilities which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported (IBNR's). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012**Note 3 - Detailed Notes on All Funds (Continued)**

An analysis of the activity of unpaid claim liabilities is as follows:

	Year Ended June 30, 2012		Year Ended June 30, 2011	
	General Liability	Workers' Compensation	General Liability	Workers' Compensation
Balance - Beginning of Year	\$ 26,322,000	\$ 22,621,000	\$ 23,237,000	\$ 25,355,000
Provision for Claims and Claims Adjustment Expenses	3,390,128	7,336,964	6,743,394	5,432,015
Claims and Claims Adjustment Expenses Paid	(1,207,128)	(10,474,964)	(3,658,394)	(8,166,015)
Balance - End of Year	<u>\$ 28,505,000</u>	<u>\$ 19,483,000</u>	<u>\$ 26,322,000</u>	<u>\$ 22,621,000</u>
Due Within One Year	<u>\$ 1,207,128</u>	<u>\$ 10,474,964</u>	<u>\$ 3,658,394</u>	<u>\$ 8,166,016</u>

Claims payable also includes a liability of \$10,100,000 for court ordered tax certiorari refunds which were not due and payable at year end and \$6,716,664 for a settlement reached between the School District and Yonkers Federation of Teachers as a result of a salary arbitration claim against the School District. These amounts have been recorded as an expense and liability in the government-wide financial statements.

**Other Post Employment Benefit Obligations**

In addition to providing pension benefits, the City provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the City may vary according to length of service. The cost of providing post-employment health care benefits is shared between the City and the retired employee. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. The cost of retiree health care benefits is recognized as an expenditure as claims are paid within the governmental funds. Separate financial statements are not issued for the plan.

The City's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

NOTES TO FINANCIAL STATEMENTS (Continued)  
 JUNE 30, 2012

**Note 3 - Detailed Notes on All Funds (Continued)**

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The City is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is as follows:

Year Ended June 30,	Healthcare Premium	
	Pre-65	Post-65
2013	8.50 %	8.50 %
2014	7.50	7.50
2015	6.50	6.50
2016	5.50	5.50
2017+	5.00	5.00

The amortization basis is the level dollar amount method with an open amortization approach with 25 years remaining in the amortization period. The actuarial assumptions include a 4% investment rate of return. The projected unit credit method was used to determine the actuarial value of the assets of the OPEB plan, however, the City currently has no assets set aside for the purpose of paying postemployment benefits.

The number of participants as of June 30, 2012 was as follows:

Active Employees	4,834
Retired Employees	3,981
	<u>8,815</u>

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012**Note 3 - Detailed Notes on All Funds (Continued)**

Amortization Component:	
Actuarial Accrued Liability as of July 1, 2011	\$ 1,602,018,834
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 1,602,018,834</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 463,562,310</u>
UAAL as a Percentage of Covered Payroll	<u>345.59%</u>
Annual Required Contribution	\$ 136,081,148
Interest on Net OPEB Obligation	16,966,753
Adjustment to Annual Required Contribution	<u>(8,472,443)</u>
Annual OPEB Cost	144,575,458
Contributions Made	<u>(47,827,440)</u>
Increase in Net OPEB Obligation	96,748,018
Net OPEB Obligation - Beginning of Year	<u>424,168,827</u>
Net OPEB Obligation - End of Year	<u>\$ 520,916,845</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and the two preceding years is as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 144,575,458	33.1 %	\$ 520,916,845
2011	133,836,432	32.9	424,168,827
2010	154,743,000	24.9	334,369,000

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

**Component Unit - Loans**

The Corporation (component unit) has received loans from the Community Development Fund that have an outstanding balance of \$2,095,421 as of June 30, 2012. These loans have various due dates ranging from October 2012 through January 2036. The interest rates on these loans range from 1% to 5.99%, depending upon maturity.

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012**Note 3 - Detailed Notes on All Funds (Continued)**

The Corporation (component unit) also has received loans from other entities that have outstanding balances of \$700,944 as of June 30, 2012. These loans have various due dates ranging from December 2013 through May 2035. The interest rates on these loans range from 3% to 6.5%, depending upon maturity.

The YEDC (component unit) has a loan payable to the bank which bears interest at prime plus 2% for the period from June 2011 through June 2018, at which time the rate will be fixed at 6.5% per annum. The loan is secured by a ground lease and a first lien mortgage on certain properties located in the City. Interest is due quarterly through the loan's maturity in June 2023, at which time the principal amount is due in its entirety. The principal balance outstanding at December 31, 2011 was \$2,629,000.

**M. Revenues and Expenditures****Interfund Transfers**

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

Transfers Out	Transfers In					Total
	General	Education	Education Special Aid	City Capital Projects	Non-Major Governmental	
General	\$ -	\$ 224,749,240	\$ -	785,000	\$ 40,466,862	\$ 266,001,102
Education	-	-	1,863,812	-	18,740,959	20,604,771
Non-Major Governmental	2,527,470	-	-	-	7,841,781	10,369,251
	<u>\$ 2,527,470</u>	<u>\$ 224,749,240</u>	<u>\$ 1,863,812</u>	<u>\$ 785,000</u>	<u>\$ 67,049,602</u>	<u>\$ 296,975,124</u>

Transfers are used to 1) move funds from the General Fund to the Education Fund to provide local funding for the City's public school operations, 2) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 3) move amounts earmarked in the operating funds to fulfill commitments for Special Aid and School Lunch funds expenditures.

**N. Net Assets**

The components of net assets are detailed below:

*Invested in Capital Assets, net of Related Debt* - the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

*Restricted for Capital Projects* - the component of net assets that reports the amounts restricted for capital projects less unexpended bond proceeds and unrestricted interest earnings.

**Note 3 - Detailed Notes on All Funds (Continued)**

*Restricted for Special Purposes* - the component of net assets that reports the difference between assets and liabilities of certain programs with constraints placed on their use by either external parties and/or statute.

*Restricted for Debt Service* - the component of net assets that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

*Restricted for Community Development Projects* - the component of net assets that reports the difference between assets and liabilities of the Community Development Funds with constraints placed on their use by the United States Department of Housing and Urban Development.

*Restricted for Sewer* - the component of net assets that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

*Unrestricted* - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012**Note 3 - Detailed Notes on All Funds (Continued)****O. Fund Balance**

	2012						
	General Fund	Education Fund	Education Special Aid Fund	Community Development Fund	City Capital Projects Fund	Education Capital Projects Fund	Non-Major Governmental Funds
							Total
<b>Nonspendable:</b>							
Notes receivable	\$ 10,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,600
Advances	3,060,621	-	-	-	-	-	3,060,621
Long-term receivables	-	-	-	3,060,621	-	-	3,060,621
Inventories	-	-	-	-	-	-	158,853
<b>Total Nonspendable</b>	<b>3,071,221</b>	<b>-</b>	<b>-</b>	<b>3,060,621</b>	<b>-</b>	<b>-</b>	<b>6,290,695</b>
<b>Restricted:</b>							
Advances	-	1,000,000	-	-	-	-	1,000,000
Debt service	-	-	-	-	-	-	40,823
Capital projects	-	-	-	-	38,598,194	-	38,598,194
Special purposes	-	-	-	-	-	-	1,136,989
<b>Total Restricted</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>38,598,194</b>	<b>-</b>	<b>40,776,006</b>
<b>Committed:</b>							
Capital improvements or equipment	-	3,000,000	-	-	-	-	3,000,000
Other post-employment benefit obligations	-	500,000	-	-	-	-	500,000
Technology upgrade	-	500,000	-	-	-	-	500,000
Unemployment insurance	-	850,000	-	-	-	-	850,000
<b>Total Committed</b>	<b>-</b>	<b>4,850,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,850,000</b>
<b>Assigned:</b>							
Purchases on order:							
General government support	799,577	-	-	-	-	-	799,577
Education	-	5,460,429	193,100	-	-	8,413,867	14,081,178
Public safety	274,781	-	-	-	-	-	274,781
Transportation	845,607	-	-	-	-	-	845,607
Culture and recreation	25,999	-	-	-	-	-	25,999
Home and community services	50,577	-	-	-	-	-	50,577
Employee benefits	167,807	-	-	-	-	-	167,807
<b>Total Assigned</b>	<b>1,964,348</b>	<b>5,460,429</b>	<b>193,100</b>	<b>-</b>	<b>-</b>	<b>8,413,867</b>	<b>16,313,429</b>
<b>For subsequent year's expenditures:</b>							
General Fund	8,861,231	-	-	-	-	-	8,861,231
Education Fund	-	15,095,574	-	-	-	-	15,095,574
Education purposes	-	16,119,760	-	-	-	-	16,119,760
Community development purposes	-	-	-	249,161	-	-	249,161
Education capital projects purposes	-	-	-	-	-	24,795,471	24,795,471
Education debt service purposes	-	-	-	-	-	-	421,348
Public library purposes	-	-	-	-	-	-	157,599
Water purposes	-	-	-	-	-	-	2,689,393
Sewer purposes	-	-	-	-	-	-	988,960
<b>Total Assigned</b>	<b>10,825,579</b>	<b>36,675,763</b>	<b>193,100</b>	<b>249,161</b>	<b>-</b>	<b>33,209,338</b>	<b>85,671,926</b>
<b>Unassigned</b>	<b>20,918,509</b>	<b>-</b>	<b>(193,100)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,596,256</b>
<b>Total Fund Balances</b>	<b>\$ 34,815,309</b>	<b>\$ 42,625,763</b>	<b>\$ -</b>	<b>\$ 3,309,762</b>	<b>\$ 38,598,194</b>	<b>\$ 33,209,338</b>	<b>\$ 158,183,883</b>



NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012

Note 3 - Detailed Notes on All Funds (Continued)

	2011						
	General Fund	Education Fund	Education Special Aid Fund	Community Development Fund	City Capital Projects Fund	Education Capital Projects Fund	Non-Major Governmental Funds
							Total
<b>Nonspendable:</b>							
Notes receivable	\$ 10,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,600
Advances	-	-	-	-	-	-	-
Long-term receivables	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	187,741
<b>Total Nonspendable</b>	<b>10,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187,741</b>
							<b>198,341</b>
<b>Restricted:</b>							
Advances	-	1,000,000	-	-	-	-	1,000,000
Debt service	-	-	-	-	-	-	33,454
Capital projects	-	-	-	-	22,802,030	-	22,802,030
Special purposes	-	-	-	-	-	-	1,084,257
<b>Total Restricted</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>22,802,030</b>	<b>-</b>	<b>24,819,741</b>
							<b>4,500,000</b>
<b>Committed:</b>							
Capital improvements or equipment	-	4,500,000	-	-	-	-	4,500,000
Other post-employment benefit obligations	-	500,000	-	-	-	-	500,000
Technology upgrade	-	500,000	-	-	-	-	500,000
Unemployment insurance	-	850,000	-	-	-	-	850,000
<b>Total Committed</b>	<b>-</b>	<b>6,350,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,350,000</b>
<b>Assigned:</b>							
<b>Purchases on order:</b>							
General government support	1,622,215	-	-	-	-	-	1,622,215
Education	-	2,226,225	1,186,759	-	-	2,879,684	6,318,311
Public safety	224,322	-	-	-	-	-	224,322
Transportation	240,990	-	-	-	-	-	240,990
Culture and recreation	31,535	-	-	-	-	-	33,071
Home and community services	274,190	-	-	-	-	-	813,256
Employee benefits	45,303	-	-	-	-	-	45,303
	<b>2,438,555</b>	<b>2,226,225</b>	<b>1,186,759</b>	<b>-</b>	<b>-</b>	<b>2,879,684</b>	<b>9,097,468</b>
<b>For subsequent year's expenditures:</b>							
General Fund	3,200,000	-	-	-	-	-	3,200,000
Education Fund	-	14,430,711	-	-	-	-	14,430,711
Sewer Fund	-	-	-	-	-	-	237,354
Public Library Fund	-	-	-	-	-	-	124,803
Education purposes	-	8,745,574	-	-	-	-	8,745,574
Community development purposes	-	-	-	3,065,991	-	-	3,065,991
Debt service	-	-	-	-	-	-	(67,390)
Sewer purposes	-	-	-	-	-	-	671,025
	<b>5,638,555</b>	<b>25,402,510</b>	<b>1,186,759</b>	<b>3,065,991</b>	<b>-</b>	<b>2,879,684</b>	<b>39,505,536</b>
<b>Total Assigned</b>	<b>8,866,923</b>	<b>-</b>	<b>(1,186,759)</b>	<b>-</b>	<b>-</b>	<b>8,792,927</b>	<b>15,411,547</b>
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>\$ 14,516,078</b>	<b>\$ 32,752,510</b>	<b>\$ -</b>	<b>\$ 3,065,991</b>	<b>\$ 22,802,030</b>	<b>\$ 11,672,611</b>	<b>\$ 87,385,165</b>

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2012

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**Note 3 - Detailed Notes on All Funds (Continued)**

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net assets but are reported in the governmental funds balance sheet are described below.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Advances have been classified as restricted to indicate the long-term nature of funds advanced to the Community Development and School Lunch funds. These funds do not represent "available spendable resources" even though they are a component of current assets.

Long-Term Receivables represents funds set aside to indicate the long-term nature of certain loans and state aid payments owed to the City in the Community Development Fund. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Notes Receivable has been classified as nonspendable to indicate that such funds do not represent "available" spendable resources even though they are a component of current assets.

Resources for capital improvements or equipment, other post employment benefit obligations, technology upgrade and unemployment insurance have been committed by the Board of Education for these purposes.

Purchases on order are assigned and represent the City's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions.

The Special Local Finance and Budget Act for the City provides that any operating surplus of prior years, not in excess of the amount of the aggregate fund balance of the various operating funds of the City as of the end of the previous fiscal year, can be included as a financing source in the preparation of the next budget. Similarly, any deficits created in the current year must be provided for in the next budget. Accordingly, at June 30, 2012, the City has assigned the above amounts to be appropriated for the ensuing year's budget.

**Note 4 - Summary Disclosure of Significant Contingencies**

**A. Litigation**

The City, in common with other municipalities, receives numerous notices of claims for money damages arising generally from false arrest and imprisonment, malicious prosecution, personal injury and breach of civil rights. The filing of such claims commences a statutory period for initiating judicial action. The City is self-insured with respect to most tort matters and, in the opinion of the City's Corporation Counsel, any resulting exposure in these cases would be funded through the issuance of indebtedness and would not have an adverse impact on the City's current financial condition.

Several employment discrimination and harassment claims have been filed against the School Board. The cases are in various stages and are either awaiting trial or judgment. The School District's insurance carrier for its school leaders errors and omissions policy has been notified of these cases. Counsel is unable to estimate damages, if any, at this time.

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the City if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

**B. Contingencies**

In 1979, the City entered into a Consent Order with the New York State Department of Environmental Conservation ("NYSDEC") to remediate the Austin Avenue landfill site. In December 2004, the City Council approved a plan that would allow the City's Industrial Development Agency ("IDA"), through the NYSDEC's Brownfield Remediation and Empire Zone Program, to issue bonds to pay for the remediation of the landfill site. The IDA bonds would be repaid from the annual proceeds of a new supplemental payments in lieu of tax ("PILOT") agreement from a local developer, who owns the property adjacent to the landfill site. The City Council has waived the City's right to the receipt of the supplemental PILOT payments in order to pledge those receipts to the repayment of the IDA bonds and/or to use the proceeds directly for remediation. The City Council further agreed that, based on the City's obligation under the Consent Order, the City will pay any shortfalls for costs of environmental remediation in excess of amounts available from the supplemental PILOT payment.

Remediation efforts have been completed with all physical work required by NYSDEC in the approved Remedial Action Plan having been done in early 2011. As of December 2011, all bills related to this work were paid and YIDA's dedicated account for the Austin Avenue remediation held a balance of \$38,828 to pay final legal bills, insurance costs and NYSDEC fees in 2012.

**C. Risk Management**

*Property and Casualty Claims/Public Officials Liability*

The City purchases conventional property and casualty insurance to reduce its exposure to loss from damage or fire to City owned properties. The City also purchases conventional insurance coverage for public officials liability. The current policy reflects a limit of \$250,000. Settled claims resulting from those risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

*Unemployment Benefits*

The City is self-insured for claims arising from unemployment benefit cases. Incurred but not reported claims are not material.

*Workers' Compensation and Liability Claims*

The City is currently self-insured for general, auto, police and fire liability and workers' compensation claims. Conventional insurance is not purchased for catastrophic losses.

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

*Health Benefits*

The City purchases conventional health insurance coverage for all full-time City and Board of Education employees and retirees.

**D. Compliance with Grant Requirements**

The City and the Board of Education participate in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although City and Board of Education management anticipate such amounts, if any, to be immaterial.

The Board of Education is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid which may be disallowed cannot be determined at this time, although the Board of Education anticipates such amounts, if any, to be immaterial.

**Note 5 - Other Matters**

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a City in a particular year, beginning with the 2012-13 fiscal year. It expires on June 16, 2016.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the City to increase its overall real property tax levy for City purposes over the tax levy of the prior year for City purposes by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The City is required to calculate its tax levy limit for City purposes for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the City, as well as real property taxes levied on behalf of the Board of Education. The City Council may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the City Council first enacts, by a vote of at least sixty percent of the total voting power of the City Council, a local law to override such limit for such coming fiscal year.

**Note 6 - Subsequent Events**

The City, in December 2012, issued \$106,070,000 in serial bonds. Of this amount, \$49,150,000 was used to advance refund previously issued serial bonds, \$975,000 was used to redeem outstanding bond anticipation notes and the balance of \$55,945,000 was used as a new money source for various City and Board of Education capital projects. The bonds mature annually through 2030 with interest at rates ranging from 2% to 4%, depending on maturity.

## CITY OF YONKERS, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS  
 OTHER POST EMPLOYMENT BENEFITS  
 LAST THREE FISCAL YEARS

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
July 1, 2009	\$ -	\$ 1,581,452,000	\$ 1,581,452,000	- %	\$ 497,657,182	317.78 %
July 1, 2010	-	1,545,559,712	1,545,559,712	-	473,963,743	326.09
July 1, 2011	-	1,602,018,834	1,602,018,834	-	463,562,310	345.59

## **MAJOR GOVERNMENTAL FUNDS**

### **GENERAL FUND**

The General Fund constitutes the primary operating fund of the City and is used to account for and report all financial resources not accounted for and reported in another fund.

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

- **Education Fund** - The Education Fund is used to account for the operation of the Yonkers City School District in accordance with the Education Law of the State of New York.
- **Education Special Aid Fund** - The Education Special Aid Fund is used to account for special projects or programs of the School District which are supported in whole or in part with Federal, State or local funds.
- **Community Development Fund** - The Community Development Fund is used to record the operations of the Federal grant programs operated by the City's Community Development Agency.

### **CAPITAL PROJECTS FUNDS**

- **City Capital Projects Fund** - The City Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets for City purposes.
- **Education Capital Projects Fund** - The Education Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlay, including the acquisition or construction of major capital facilities and other capital assets for School District purposes.

## CITY OF YONKERS, NEW YORK

GENERAL FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2012 AND 2011

	2012	2011
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 72,355,462	\$ 54,854,566
Petty cash	7,253	7,253
	<u>72,362,715</u>	<u>54,861,819</u>
Investments	<u>5,643,973</u>	<u>44,414,603</u>
Property Taxes Receivable:		
City	35,077,467	30,134,173
County	8,744,141	7,525,676
Tax sale certificates	4,219,948	4,600,314
Property acquired for taxes	<u>3,761,047</u>	<u>3,761,047</u>
	51,802,603	46,021,210
Allowance for uncollectible taxes	<u>(26,027,526)</u>	<u>(26,391,546)</u>
	<u>25,775,077</u>	<u>19,629,664</u>
Other Receivables:		
Income taxes	553,381	4,189,363
Accounts, net of allowance for uncollectible amounts of \$390,707 in 2012 and \$380,856 in 2011	9,489,283	8,931,671
State and Federal aid	21,815,573	19,639,299
Due from other funds	8,236,819	-
Advances to other funds	3,060,621	-
Notes	10,600	10,600
Loans	<u>491,101</u>	<u>525,270</u>
	<u>43,657,378</u>	<u>33,296,203</u>
Total Assets	<u>\$ 147,439,143</u>	<u>\$ 152,202,289</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 38,600,206	\$ 31,376,936
Accrued liabilities	11,292,450	7,850,061
County taxes payable	30,109,955	31,256,686
Employee payroll deductions	176,622	109,273
Due to other funds	-	23,275,028
Deferred revenues	4,450,863	4,585,993
Deferred tax revenues	21,528,707	18,409,515
Due to retirement systems	<u>6,465,031</u>	<u>20,822,719</u>
Total Liabilities	<u>112,623,834</u>	<u>137,686,211</u>
Fund Balance:		
Nonspendable	3,071,221	10,600
Assigned	10,825,579	5,638,555
Unassigned	<u>20,918,509</u>	<u>8,866,923</u>
Total Fund Balance	<u>34,815,309</u>	<u>14,516,078</u>
Total Liabilities and Fund Balance	<u>\$ 147,439,143</u>	<u>\$ 152,202,289</u>



## CITY OF YONKERS, NEW YORK

## GENERAL FUND

## COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES.

## IN FUND BALANCE - BUDGET AND ACTUAL

## YEARS ENDED JUNE 30, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 288,847,776	\$ 288,847,776	\$ 289,233,129	\$ 385,353
Other tax items	65,562,876	65,562,876	67,314,225	1,751,349
Non-property taxes	115,045,285	115,045,285	115,619,511	574,226
Departmental income	25,384,219	25,384,219	25,340,524	(43,695)
Use of money and property	838,525	838,525	722,936	(115,589)
Sale of property and compensation for loss	215,000	215,000	19,495	(195,505)
State aid	113,908,739	113,908,739	113,228,032	(680,707)
Federal aid	21,450	21,450	143,119	121,669
Miscellaneous	2,103,506	2,103,506	2,787,817	684,311
Total Revenues	611,927,376	611,927,376	614,408,788	2,481,412
Expenditures:				
Current:				
General government support	70,868,937	90,868,940	84,799,011	6,069,929
Public safety	135,091,842	135,091,842	137,655,423	(2,563,581)
Transportation	1,611,000	1,611,000	334,870	1,276,130
Culture and recreation	7,486,227	7,486,227	7,258,464	227,763
Home and community services	25,383,161	25,383,158	24,995,602	387,556
Employee benefits	116,600,066	116,600,066	104,487,020	12,113,046
Debt Service - Interest	3,624,000	3,624,000	1,317,370	2,306,630
Total Expenditures	360,665,233	380,665,233	360,847,760	19,817,473
Excess of Revenues Over Expenditures	251,262,143	231,262,143	253,561,028	22,298,885
Other Financing Sources (Uses):				
Sale of real property	-	-	-	-
Bonds issued	-	20,000,000	20,000,000	-
Bond anticipation notes issued	-	-	-	-
State loan issued	10,839,551	10,839,551	-	(10,839,551)
Transfers in	2,527,470	2,527,470	2,527,470	-
Transfers out	(270,267,719)	(270,267,719)	(266,001,102)	4,266,617
Total Other Financing Uses	(256,900,698)	(236,900,698)	(243,473,632)	(6,572,934)
Net Change in Fund Balance	(5,638,555)	(5,638,555)	10,087,396	15,725,951
Fund Balance - Beginning of Year, As Reported	5,638,555	5,638,555	14,516,078	8,877,523
Prior Period Adjustment	-	-	10,211,835	10,211,835
Fund Balance - Beginning of Year, As Restated	5,638,555	5,638,555	24,727,913	19,089,358
Fund Balance - End of Year	\$ -	\$ -	\$ 34,815,309	\$ 34,815,309

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 276,845,199	\$ 276,845,199	\$ 280,765,986	\$ 3,920,787
59,468,379	59,468,379	60,413,258	944,879
103,070,314	103,070,314	101,458,201	(1,612,113)
21,924,137	21,924,137	24,154,999	2,230,862
785,563	785,563	487,686	(297,877)
214,861	214,861	223,960	9,099
137,458,629	137,458,629	137,142,546	(316,083)
43,381	43,381	554,477	511,096
1,095,264	1,095,264	1,712,374	617,110
600,905,727	600,905,727	606,913,487	6,007,760
73,532,257	70,761,739	74,270,685	(3,508,946)
131,366,630	133,497,642	133,618,591	(120,949)
1,558,500	1,558,500	1,739,824	(181,324)
7,281,897	7,297,029	6,999,376	297,653
22,623,273	24,268,936	23,950,321	318,615
103,814,119	108,659,109	106,762,193	1,896,916
3,593,352	3,593,352	2,057,480	1,535,872
343,770,028	349,636,307	349,398,470	237,837
257,135,699	251,269,420	257,515,017	6,245,597
-	-	200,000	200,000
-	-	-	-
-	2,000,000	2,000,000	-
-	-	-	-
2,163,816	2,163,816	2,992,152	828,336
(263,644,161)	(259,777,882)	(259,777,882)	-
(261,480,345)	(255,614,066)	(254,585,730)	1,028,336
(4,344,646)	(4,344,646)	2,929,287	7,273,933
4,344,646	4,344,646	11,586,791	7,242,145
-	-	-	-
4,344,646	4,344,646	11,586,791	7,242,145
\$ -	\$ -	\$ 14,516,078	\$ 14,516,078

## CITY OF YONKERS, NEW YORK

## GENERAL FUND

## SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET

YEAR ENDED JUNE 30, 2012

(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
<b>REAL PROPERTY TAXES</b>	<b>\$ 288,847,776</b>	<b>\$ 288,847,776</b>	<b>\$ 289,233,129</b>	<b>\$ 385,353</b>	<b>\$ 280,765,986</b>
<b>OTHER TAX ITEMS</b>					
Interest and penalties on real property taxes	3,845,221	3,845,221	2,980,080	(865,141)	3,275,619
Payments in lieu of taxes	18,680,895	18,680,895	20,484,594	1,803,699	12,957,286
Real estate transfer taxes	5,506,205	5,506,205	5,856,004	349,799	5,561,048
School tax relief reimbursement	37,125,647	37,125,647	37,125,647	-	37,501,517
Supplemental real estate taxes	404,908	404,908	867,900	462,992	1,117,788
	<u>65,562,876</u>	<u>65,562,876</u>	<u>67,314,225</u>	<u>1,751,349</u>	<u>60,413,258</u>
<b>NON-PROPERTY TAXES</b>					
Income taxes	37,519,735	37,519,735	36,034,915	(1,484,820)	29,628,448
Sales and use taxes	63,127,071	63,127,071	65,611,322	2,484,251	60,604,378
Off-track betting surcharge	329,811	329,811	299,378	(30,433)	415,730
Raceway admissions taxes	15,398	15,398	39,615	24,217	21,973
Raceway impact fees	4,200,000	4,200,000	4,568,506	368,506	1,000,000
Utilities gross receipts taxes	7,700,409	7,700,409	7,044,971	(655,438)	7,705,152
Cable television franchise fees	2,152,861	2,152,861	2,020,804	(132,057)	2,082,520
	<u>115,045,285</u>	<u>115,045,285</u>	<u>115,619,511</u>	<u>574,226</u>	<u>101,458,201</u>
<b>DEPARTMENTAL INCOME</b>					
Executive	15,112	15,112	35,183	20,071	40,247
Development	3,041,378	3,041,378	3,281,415	240,037	3,456,294
Engineering	380,509	380,509	613,623	233,114	509,993
Consumer protection	467,222	467,222	620,957	153,735	623,050
Finance	38,166	38,166	61,029	22,863	38,790
Parking Violations Bureau/Courts	15,498,633	15,498,633	14,429,958	(1,068,675)	13,260,515
Civil service fees	19,721	19,721	57,754	38,033	6,024
Legislative	254,847	254,847	228,413	(26,434)	276,703
Parks, recreation and conservation	2,237,088	2,237,088	2,545,634	308,546	2,478,725
Police and fire	2,148,199	2,148,199	2,239,571	91,372	2,159,272
Public works	479,373	479,373	500,367	20,994	507,191
County prisoner processing	319,979	319,979	252,127	(67,852)	325,168
Maintenance of State and County roads	483,992	483,992	474,493	(9,499)	473,027
	<u>25,384,219</u>	<u>25,384,219</u>	<u>25,340,524</u>	<u>(43,695)</u>	<u>24,154,999</u>

Earnings on investments	318,353	318,353	256,191	(62,162)	270,688
Rental of real property	520,172	520,172	466,745	(53,427)	216,998
	838,525	838,525	722,936	(115,589)	487,686
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>					
Sale of equipment	215,000	215,000	19,495	(195,505)	223,960
<b>STATE AID</b>					
Aid and incentives to municipalities	108,215,479	108,215,479	107,983,365	(232,114)	131,621,970
Court reimbursements	416,501	416,501	416,501	-	441,869
Mortgage tax	5,050,325	5,050,325	4,766,392	(283,933)	4,808,917
Community mental health	213,452	213,452	61,774	(151,678)	166,867
Emergency Management Assistance	-	-	-	-	90,084
Veteran's services	12,982	12,982	-	(12,982)	12,839
	113,908,739	113,908,739	113,228,032	(680,707)	137,142,546
<b>FEDERAL AID</b>					
Emergency Management Assistance	-	-	143,119	143,119	533,027
Civil defense	21,450	21,450	-	(21,450)	21,450
	21,450	21,450	143,119	121,669	554,477
<b>MISCELLANEOUS</b>					
Refunds of prior year's expenditures	-	-	431,849	431,849	703,857
Article 5 affordable housing properties	1,500,000	1,500,000	1,500,000	-	-
Other	603,506	603,506	855,968	252,462	1,008,517
	2,103,506	2,103,506	2,787,817	684,311	1,712,374
	611,927,376	611,927,376	614,408,788	2,481,412	606,913,487
<b>TOTAL REVENUES</b>					
<b>OTHER FINANCING SOURCES</b>					
Sale of real property	-	-	-	-	200,000
Bonds issued	-	20,000,000	20,000,000	-	-
Bond anticipation notes issued	-	-	-	-	2,000,000
State loan issued	10,839,551	10,839,551	-	(10,839,551)	-
Transfers in - Water Fund	2,527,470	2,527,470	2,527,470	-	2,992,152
	13,367,021	33,367,021	22,527,470	(10,839,551)	5,192,152
<b>TOTAL OTHER FINANCING SOURCES</b>					
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>					
	\$ 625,294,397	\$ 645,294,397	\$ 636,936,258	\$ (8,358,139)	\$ 612,105,639

GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET  
 YEAR ENDED JUNE 30, 2012  
 (With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
GENERAL GOVERNMENT SUPPORT					
Legislative:					
City Council	\$ 997,885	\$ 997,885	\$ 890,994	\$ 106,891	\$ 823,370
President of City Council	693,153	693,153	600,193	92,960	589,424
City Clerk	559,865	559,865	492,029	67,836	457,971
Elections	473,490	473,490	351,630	121,860	311,883
	<u>2,724,393</u>	<u>2,724,393</u>	<u>2,334,846</u>	<u>389,547</u>	<u>2,182,648</u>
Executive:					
Mayor	866,955	866,955	732,550	134,405	667,819
Constituent and veteran's services	742,215	742,215	455,467	286,748	589,111
Personnel and labor relations	2,203,209	2,203,209	1,857,080	346,129	1,778,545
Public and community affairs	395,547	395,547	317,361	78,186	263,619
	<u>4,207,926</u>	<u>4,207,926</u>	<u>3,362,458</u>	<u>845,468</u>	<u>3,299,094</u>
Fiscal Services:					
Comptroller	1,824,735	1,824,735	1,790,806	33,929	1,571,580
Budget	299,612	299,612	136,472	163,140	200,145
Parking Violations Bureau	3,190,084	3,190,084	2,971,501	218,583	2,974,687
Assessment	907,306	907,306	905,397	1,909	891,601
Code Enforcement	-	-	-	-	21,632
Office of Licensing	333,999	333,999	335,587	(1,588)	332,945
Inspector General	351,047	351,047	308,857	42,190	344,012
	<u>6,906,783</u>	<u>6,906,783</u>	<u>6,448,620</u>	<u>458,163</u>	<u>6,336,602</u>
Staff Administrative and Advisory:					
Corporation Counsel	2,330,552	2,330,552	2,235,723	94,829	2,240,969
Engineering administration	1,599,727	1,599,727	1,209,616	390,111	1,028,527
Purchasing	545,502	545,502	528,857	16,645	538,805
Office services	1,930,537	1,930,537	1,621,644	308,893	1,800,863
Management information services	3,048,679	3,048,679	2,808,797	239,882	2,668,916
Traffic engineering and street lighting	780,252	780,252	729,098	51,154	760,885
Public works administration	1,122,806	1,122,806	1,025,126	97,680	1,298,993

Production control	784,114	784,114	783,176	938	577,391
Dog control	650,624	650,624	629,278	21,346	612,725
	12,792,793	12,792,793	11,571,315	1,221,478	11,528,074
Shared Services:					
General services	8,200,960	8,200,960	6,959,872	1,241,088	7,543,853
Vehicle maintenance	7,038,481	7,038,481	6,967,517	70,964	6,992,955
	15,239,441	15,239,441	13,927,389	1,312,052	14,536,808
Special Items:					
Taxes on City property	2,979,247	2,979,250	3,020,450	(41,200)	2,382,525
Tax remissions	200,000	200,000	1,088,011	(888,011)	-
Senior citizen tax exemption	405,000	405,000	375,003	29,997	436,895
Reserve for uncollected taxes	16,207,067	16,207,067	13,191,453	3,015,614	18,644,688
Bond and note issuance costs	126,000	126,000	270,793	(144,793)	244,980
Municipal dues	25,000	25,000	35	24,965	38,245
Tenants' act	173,580	173,580	168,800	4,780	170,700
Judgments and claims	1,000,000	1,000,000	1,207,128	(207,128)	3,658,394
Assessment review and repayments	500,000	20,500,000	20,500,000	-	3,471,346
Termination payments	2,000,000	2,000,000	2,869,437	(869,437)	4,012,479
Fiscal agent banking fees	20,000	20,000	-	20,000	-
Yonkers Historical Society	10,000	10,000	10,000	-	10,000
Appraisal of City property	-	-	-	-	59,353
Green Policy Task Force	15,270	15,270	13,502	1,768	719
Metropolitan commuter transportation mobility tax	689,127	689,127	690,425	(1,298)	659,821
Litigation costs	1,640,700	1,640,700	1,494,570	146,130	982,490
Administrative charge - Income tax	319,932	319,932	309,236	10,696	314,423
Grant cash match	433,106	433,106	52,169	380,937	353,994
Annual audit and review	814,350	814,350	415,400	398,950	363,635
Buena Vista parking garage	239,132	239,132	172,423	66,709	257,846
Board of Ethics	25,000	25,000	-	25,000	-
Affordable housing subsidies	1,175,090	1,175,090	1,305,548	(130,458)	324,911
	28,997,601	48,997,604	47,154,383	1,843,221	36,387,459
Total General Government Support	70,868,937	90,868,940	84,799,011	6,069,929	74,270,685

(Continued)

## CITY OF YONKERS, NEW YORK

GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)  
 YEAR ENDED JUNE 30, 2012  
 (With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
<b>PUBLIC SAFETY</b>					
Police Department	\$ 80,255,727	\$ 80,255,727	\$ 80,302,854	\$ (47,127)	\$ 79,213,276
Fire Prevention and Control:					
Administration	1,725,143	1,725,143	1,382,716	342,427	1,249,040
Fire fighting	48,626,369	48,626,369	52,120,517	(3,494,148)	49,194,350
Communications	349,415	349,415	341,032	8,383	234,863
Prevention	1,496,807	1,496,807	1,080,911	415,896	1,278,348
	52,197,734	52,197,734	54,925,176	(2,727,442)	51,956,601
Other Protection -					
Bureau of Housing and Buildings	2,638,381	2,638,381	2,427,393	210,988	2,448,714
Total Public Safety	135,091,842	135,091,842	137,655,423	(2,563,581)	133,618,591
<b>TRANSPORTATION</b>					
Snow and ice control	1,611,000	1,611,000	334,870	1,276,130	1,739,824
<b>CULTURE AND RECREATION</b>					
Parks administration	784,557	784,557	666,336	118,221	705,128
Parks maintenance	3,847,113	3,847,113	3,896,818	(49,705)	3,726,265
Recreation and playgrounds	2,095,349	2,095,349	1,963,180	132,169	1,933,217
Museum	176,600	176,600	176,600	-	176,600
Community centers	319,935	319,935	306,344	13,591	311,522
Community services	-	-	8,312	(8,312)	4,078
Youth service agencies	262,673	262,673	240,874	21,799	142,566
Total Culture and Recreation	7,486,227	7,486,227	7,258,464	227,763	6,999,376

## HOME AND COMMUNITY SERVICES

General Environment:					
Development administration	642,793	642,793	412,509	230,284	343,330
Planning	336,355	336,355	336,968	(613)	410,496
Human Rights	-	-	-	-	2,261
Office for the Aging	545,842	545,842	278,151	267,691	566,307
Economic Development	303,554	303,554	322,149	(18,595)	367,174
Downtown and Waterfront Development	230,912	230,912	227,371	3,541	316,071
Housing and Community Redevelopment	-	-	92,865	(92,865)	-
Affordable Housing	253,761	253,761	342,946	(89,185)	350,843
	<u>2,313,217</u>	<u>2,313,217</u>	<u>2,012,959</u>	<u>300,258</u>	<u>2,356,482</u>
Sanitation:					
Refuse collection	9,004,448	9,004,448	9,144,943	(140,495)	8,662,073
Refuse disposal/City cleaning	12,708,179	12,708,179	12,434,821	273,358	11,678,192
	<u>21,712,627</u>	<u>21,712,627</u>	<u>21,579,764</u>	<u>132,863</u>	<u>20,340,265</u>
Community Environment - Shade Tree Bureau					
	<u>1,357,317</u>	<u>1,357,314</u>	<u>1,402,879</u>	<u>(45,565)</u>	<u>1,253,574</u>
Total Home and Community Services	<u>25,383,161</u>	<u>25,383,158</u>	<u>24,995,602</u>	<u>387,556</u>	<u>23,950,321</u>
EMPLOYEE BENEFITS					
State retirement	11,691,703	11,691,703	7,301,151	4,390,552	9,770,953
Police and fire retirement	30,819,870	30,819,870	24,692,749	6,127,121	33,198,326
Disabled firefighters' 207A supplemental pension	1,696,000	1,696,000	1,797,318	(101,318)	1,739,929
Policemen's and firemen's local pension funds	147,900	147,900	113,100	34,800	145,000
Social security and medicare	13,255,924	13,255,924	13,841,817	(585,693)	12,945,721
Life, health and dental insurance	46,812,650	46,812,650	43,183,803	3,628,847	37,202,031
Unemployment benefits	500,000	500,000	199,927	300,073	938,762
Workers' compensation	8,429,741	8,429,741	10,474,964	(2,045,223)	8,166,015
Trust and welfare payments	3,246,278	3,246,278	2,882,391	363,887	2,655,456
	<u>116,600,066</u>	<u>116,600,066</u>	<u>104,487,020</u>	<u>12,113,046</u>	<u>106,762,193</u>
Total Employee Benefits					
DEBT SERVICE					
Interest:					
Bond anticipation notes	2,749,497	2,749,497	446,533	2,302,964	817,647
Revenue anticipation notes	874,503	874,503	870,837	3,666	1,239,833
	<u>3,624,000</u>	<u>3,624,000</u>	<u>1,317,370</u>	<u>2,306,630</u>	<u>2,057,480</u>
TOTAL EXPENDITURES	<u>360,665,233</u>	<u>380,665,233</u>	<u>360,847,760</u>	<u>19,817,473</u>	<u>349,398,470</u>

(Continued)



CITY OF YONKERS, NEW YORK

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)  
YEAR ENDED JUNE 30, 2012  
(With Comparative Actuals for 2011)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2011 Actual
OTHER FINANCING USES					
Transfers Out:					
Education Fund	\$ 224,749,240	\$ 224,749,240	\$ 224,749,240	\$ -	\$ 217,849,240
Capital Projects Fund	-	-	785,000	(785,000)	-
Water Fund	3,554,197	3,554,197	3,554,197	-	3,541,153
Public Library Fund	8,581,197	8,581,197	8,581,197	-	8,484,335
Debt Service Fund	33,383,085	33,383,085	28,331,468	5,051,617	29,903,154
TOTAL OTHER FINANCING USES	270,267,719	270,267,719	266,001,102	4,266,617	259,777,882
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 630,932,952	\$ 650,932,952	\$ 626,848,862	\$ 24,084,090	\$ 609,176,352

## CITY OF YONKERS, NEW YORK

EDUCATION FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2012 AND 2011

	2012	2011
<u>ASSETS</u>		
Cash - Petty cash	\$ 200	\$ 200
Receivables:		
Accounts	4,218,325	4,035,725
State and Federal aid	70,575,924	46,315,880
Due from other funds	31,965,748	45,940,855
Advances to other funds	1,000,000	1,000,000
	<u>107,759,997</u>	<u>97,292,460</u>
Total Assets	<u>\$ 107,760,197</u>	<u>\$ 97,292,660</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 259,268	\$ 10,286,811
Accrued liabilities	24,673,813	20,805,339
Due to other governments	8,223,604	8,017,818
Due to other funds	14,099	61,783
Deferred revenues	1,557,148	-
Due to retirement systems	30,506,502	25,368,399
Total Liabilities	<u>65,234,434</u>	<u>64,540,150</u>
Fund Balance:		
Restricted	1,000,000	1,000,000
Committed	4,850,000	6,350,000
Assigned	36,675,763	25,402,510
Total Fund Balance	<u>42,525,763</u>	<u>32,752,510</u>
Total Liabilities and Fund Balance	<u>\$ 107,760,197</u>	<u>\$ 97,292,660</u>

## CITY OF YONKERS, NEW YORK

EDUCATION FUND  
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 YEARS ENDED JUNE 30, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for services	\$ 418,580	\$ 418,580	\$ 488,747	\$ 70,167
Use of money and property	130,000	130,000	371,909	241,909
Forfeitures	5,000	5,000	1,600	(3,400)
Sale of property and compensation for loss	-	-	307,875	307,875
Interfund revenues	1,056,516	1,056,516	930,311	(126,205)
State aid	246,785,551	246,785,551	249,395,366	2,609,816
Federal aid	20,000	20,000	75,522	55,522
Miscellaneous	4,061,976	4,061,976	4,062,589	593
Total Revenues	252,477,623	252,477,623	255,633,899	3,156,276
Expenditures:				
Current:				
Education:				
General Support:				
Board of Education	228,684	228,684	225,129	3,555
Central administration	602,506	587,563	581,342	6,221
Finance	5,514,480	5,113,928	3,236,762	1,877,166
Staff	3,307,873	3,549,772	2,905,264	644,508
Central services	40,365,782	40,772,237	34,730,601	6,041,636
Special items	760,000	650,971	650,819	52
Total General Support	50,779,325	50,903,155	42,330,017	8,573,138
Instruction:				
Instruction, administration and improvement	22,991,348	22,957,574	22,717,842	239,732
Teaching - Regular school	145,040,831	150,891,944	146,616,535	4,075,409
Programs for children with handicapping conditions	62,026,327	63,584,488	60,957,842	2,626,646
Occupational education	8,318,818	7,917,147	7,987,351	(70,204)
Teaching - Special schools	875,000	672,305	321,128	351,177
Instructional media	2,193,870	2,430,457	1,832,670	597,787
Pupil services	11,914,445	12,501,991	11,477,305	1,024,686
Total Instruction	253,360,639	260,755,906	251,910,673	8,845,233
Pupil Transportation	43,399,749	39,880,651	35,995,914	3,884,737
Total Education	347,539,713	351,539,712	330,236,604	21,303,108
Employee Benefits	126,082,010	122,042,727	118,132,533	3,910,194
Debt Service:				
Principal	829,653	932,775	932,774	1
Interest	885,440	782,318	703,204	79,114
	1,715,093	1,715,093	1,635,978	79,115
Total Expenditures	475,336,816	475,297,532	450,005,115	25,292,417
Deficiency of Revenues Over Expenditures	(222,859,193)	(222,819,909)	(194,371,216)	28,448,693
Other Financing Sources (Uses):				
State loan issued	1,174,013	1,174,013	-	(1,174,013)
Transfers in	224,749,240	224,749,240	224,749,240	-
Transfers out	(19,720,996)	(19,760,280)	(20,604,771)	(844,491)
Total Other Financing Sources	206,202,257	206,162,973	204,144,469	(2,018,504)
Net Change in Fund Balance	(16,656,936)	(16,656,936)	9,773,253	26,430,189
Fund Balance - Beginning of Year	16,656,936	16,656,936	32,752,510	16,095,574
Fund Balance - End of Year	\$ -	\$ -	\$ 42,525,763	\$ 42,525,763

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 418,580	\$ 418,580	\$ 394,062	\$ (24,518)
130,000	130,000	163,379	33,379
5,000	5,000	1,175	(3,825)
-	-	14,628	14,628
1,102,219	1,102,219	1,215,987	113,768
237,023,233	237,023,233	234,623,990	(2,399,243)
9,152,590	9,152,590	8,155,256	(997,334)
4,432,674	4,432,674	3,546,521	(886,153)
252,264,296	252,264,296	248,114,998	(4,149,298)
232,207	248,167	240,320	7,847
649,805	620,782	603,726	17,056
6,574,820	5,659,883	3,479,325	2,180,558
3,601,005	3,555,756	3,123,705	432,051
38,155,157	37,504,576	33,939,824	3,564,752
619,000	619,000	545,396	73,604
49,831,994	48,208,164	41,932,296	6,275,868
22,183,729	22,809,902	21,770,000	1,039,902
147,009,318	147,526,960	142,898,666	4,628,294
62,583,586	62,646,088	60,452,968	2,193,120
9,185,892	9,120,372	9,008,867	111,505
389,564	28,389	16,388	12,001
3,311,025	3,401,078	2,699,487	701,591
14,160,828	16,042,709	14,058,074	1,984,635
258,823,942	261,575,498	250,904,450	10,671,048
39,751,158	38,985,806	38,196,869	788,937
348,407,094	348,769,468	331,033,615	17,735,853
109,432,378	109,273,806	108,556,216	717,590
510,000	660,279	660,278	1
674,503	674,503	577,281	97,222
1,184,503	1,334,782	1,237,559	97,223
459,023,975	459,378,056	440,827,390	18,550,666
(206,759,679)	(207,113,760)	(192,712,392)	14,401,368
-	-	829,815	829,815
217,849,240	217,849,240	217,849,240	-
(20,148,912)	(19,794,831)	(20,038,603)	(243,772)
197,700,328	198,054,409	198,640,452	586,043
(9,059,351)	(9,059,351)	5,928,060	14,987,411
9,059,351	9,059,351	26,824,450	17,765,099
\$ -	\$ -	\$ 32,752,510	\$ 32,752,510

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## CITY OF YONKERS, NEW YORK

EDUCATION SPECIAL AID FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2012 AND 2011

	2012	2011
<u>ASSETS</u>		
Receivables:		
State and Federal aid	\$ 16,912,688	\$ 22,419,848
Due from other funds	257,249	-
Total Assets	<u>\$ 17,169,937</u>	<u>\$ 22,419,848</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ -	\$ 2,326,203
Accrued liabilities	2,402,376	1,142,480
Due to other governments	854,035	1,020,767
Due to other funds	13,913,526	17,930,398
Total Liabilities	<u>17,169,937</u>	<u>22,419,848</u>
Fund Balance:		
Assigned	193,100	1,186,759
Unassigned	(193,100)	(1,186,759)
Total Fund Balance	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 17,169,937</u>	<u>\$ 22,419,848</u>

## CITY OF YONKERS, NEW YORK

## EDUCATION SPECIAL AID FUND

## COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## YEARS ENDED JUNE 30, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State aid	\$ 11,560,758	\$ 11,560,758	\$ 11,782,391	\$ 221,633
Federal aid	38,696,096	38,406,812	31,086,527	(7,320,285)
Miscellaneous	319,842	319,842	250,526	(69,316)
Total Revenues	50,576,696	50,287,412	43,119,444	(7,167,968)
Expenditures -				
Current:				
Education	43,336,529	43,336,529	37,064,050	6,272,479
Employee benefits	7,970,204	7,970,204	7,919,206	50,998
Total Expenditures	51,306,733	51,306,733	44,983,256	6,323,477
Deficiency of Revenues Over Expenditures	(730,037)	(1,019,321)	(1,863,812)	(844,491)
Other Financing Sources -				
Transfers in	730,037	1,019,321	1,863,812	844,491
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 13,850,068	\$ 14,571,847	\$ 9,843,825	\$ (4,728,022)
55,419,421	60,540,488	48,787,431	(11,753,057)
690,149	974,326	382,108	(592,218)
69,959,638	76,086,661	59,013,364	(17,073,297)
60,656,769	66,129,013	50,683,956	15,445,057
9,922,119	10,576,898	9,449,137	1,127,761
70,578,888	76,705,911	60,133,093	16,572,818
(619,250)	(619,250)	(1,119,729)	(500,479)
619,250	619,250	1,119,729	500,479
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -



## CITY OF YONKERS, NEW YORK

COMMUNITY DEVELOPMENT FUND  
 COMBINING BALANCE SHEET - SUB FUNDS  
 JUNE 30, 2012  
 (With Comparative Actuals for 2011)

	Block Grant Fund	Community Development Agency Fund	Section 108 Fund
<u>ASSETS</u>			
Cash:			
Demand deposits	\$ 1,627,732	\$ 316,385	\$ 644,911
Petty cash	300	-	-
	<u>1,628,032</u>	<u>316,385</u>	<u>644,911</u>
Restricted Cash	-	342,328	-
Receivables:			
Accounts	211,612	227,000	-
State and Federal aid	1,888,567	-	-
Loans	11,848,434	-	-
Loans - Component unit	2,095,421	-	-
Due from other funds	8,075,689	2,500,000	2,381,832
	<u>24,119,723</u>	<u>2,727,000</u>	<u>2,381,832</u>
Total Assets	<u>\$ 25,747,755</u>	<u>\$ 3,385,713</u>	<u>\$ 3,026,743</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 478,806	\$ 8,266	\$ -
Accrued liabilities	27,736	-	-
Due to other governments	11,287,000	-	-
Revenue anticipation notes payable	-	2,500,000	-
Due to other funds	9,914,096	448	721,472
Advances from other funds	3,060,621	-	-
Deferred revenues	960,383	154,000	-
Total Liabilities	<u>25,728,642</u>	<u>2,662,714</u>	<u>721,472</u>
Fund Balances (Deficits):			
Nonspendable	3,060,621	-	-
Assigned	(3,041,508)	722,999	2,305,271
Total Fund Balances	<u>19,113</u>	<u>722,999</u>	<u>2,305,271</u>
Total Liabilities and Fund Balances	<u>\$ 25,747,755</u>	<u>\$ 3,385,713</u>	<u>\$ 3,026,743</u>

HOME Program Fund	Totals	
	2012	2011
\$ 325,833	\$ 2,914,861	\$ 7,552,048
-	300	300
325,833	2,915,161	7,552,348
-	342,328	-
-	438,612	482,817
283,817	2,172,384	2,603,050
3,354,256	15,202,690	16,157,368
-	2,095,421	2,332,084
3,347,819	16,305,340	11,477,418
6,985,892	36,214,447	33,052,737
\$ 7,311,725	\$ 39,471,936	\$ 40,605,085
\$ 83,761	\$ 570,833	\$ 982,703
3,283	31,019	16,160
-	11,287,000	14,557,000
-	2,500,000	2,500,000
3,426,277	14,062,293	14,702,443
-	3,060,621	-
3,536,005	4,650,388	4,780,788
7,049,326	36,162,154	37,539,094
-	3,060,621	-
262,399	249,161	3,065,991
262,399	3,309,782	3,065,991
\$ 7,311,725	\$ 39,471,936	\$ 40,605,085

## CITY OF YONKERS, NEW YORK

## COMMUNITY DEVELOPMENT FUND

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

## IN FUND BALANCES - SUB FUNDS

YEAR ENDED JUNE 30, 2012

(With Comparative Actuals for 2011)

	Block Grant Fund	Community Development Agency Fund	Section 108 Fund
Revenues:			
Departmental income	\$ 366,206	\$ 292,255	\$ -
Use of money and property	727	1,216	7,577
Federal aid	6,212,624	-	-
Total Revenues	6,579,557	293,471	7,577
Expenditures - Current - Home and community services	7,102,618	93,721	-
Excess (Deficiency) of Revenues Over Expenditures	(523,061)	199,750	7,577
Other Financing Sources - Loans issued	-	341,770	-
Net Change in Fund Balances	(523,061)	541,520	7,577
Fund Balances - Beginning of Year	542,174	181,479	2,297,694
Fund Balances - End of Year	\$ 19,113	\$ 722,999	\$ 2,305,271

HOME Program Fund	Totals	
	2012	2011
\$ 239,838	\$ 898,299	\$ 752,832
877	10,397	13,633
1,531,003	7,743,627	8,379,275
1,771,718	8,652,323	9,145,740
1,553,963	8,750,302	10,965,768
217,755	(97,979)	(1,820,028)
-	341,770	-
217,755	243,791	(1,820,028)
44,644	3,065,991	4,886,019
<u>\$ 262,399</u>	<u>\$ 3,309,782</u>	<u>\$ 3,065,991</u>

## CITY OF YONKERS, NEW YORK

CITY CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2012 AND 2011

	2012	2011
<u>ASSETS</u>		
Cash - Demand deposits	\$ 15,228,010	\$ 3,552,477
Investments	80,004,608	60,907,646
Total Assets	<u>\$ 95,232,618</u>	<u>\$ 64,460,123</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 4,307,995	\$ 3,883,845
Accrued liabilities	18,450	18,598
Retainages payable	1,351,415	1,491,699
Bond anticipation notes payable	975,000	30,931,000
Due to other funds	49,630,427	5,331,814
Deferred revenues	351,137	1,137
Total Liabilities	56,634,424	41,658,093
Fund Balance - Restricted	38,598,194	22,802,030
Total Liabilities and Fund Balance	<u>\$ 95,232,618</u>	<u>\$ 64,460,123</u>

## CITY OF YONKERS, NEW YORK

## CITY CAPITAL PROJECTS FUND

## COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

## IN FUND BALANCE

## YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Revenues - Miscellaneous	\$ 248,935	\$ 558,852
Expenditures - Capital outlay	<u>39,982,179</u>	<u>28,792,086</u>
Deficiency of Revenues Over Expenditures	<u>(39,733,244)</u>	<u>(28,233,234)</u>
Other Financing Sources (Uses):		
Bonds issued	49,930,000	-
Issuance premium	4,814,408	-
Transfers in	<u>785,000</u>	<u>-</u>
Total Other Financing Sources	<u>55,529,408</u>	<u>-</u>
Net Change in Fund Balance	15,796,164	(28,233,234)
Fund Balance - Beginning of Year	<u>22,802,030</u>	<u>51,035,264</u>
Fund Balance - End of Year	<u><u>\$ 38,598,194</u></u>	<u><u>\$ 22,802,030</u></u>

## CITY OF YONKERS, NEW YORK

EDUCATION CAPITAL PROJECTS FUND  
 COMPARATIVE BALANCE SHEET  
 JUNE 30, 2012 AND 2011

	2012	2011
<u>ASSETS</u>		
Receivables:		
Accounts	\$ 60	\$ 60
State and Federal aid	48,759	2,052,043
Due from other funds	90,694,195	28,109,929
Total Assets	<u>\$ 90,743,014</u>	<u>\$ 30,162,032</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 16,344	\$ 1,209,688
Accrued liabilities	651,082	248,081
Retainages payable	508,295	1,287,373
Bond anticipation notes payable	-	2,800,000
Due to other funds	56,357,955	12,944,279
Total Liabilities	<u>57,533,676</u>	<u>18,489,421</u>
Fund Balance:		
Assigned	33,209,338	2,879,684
Unassigned	-	8,792,927
Total Fund Balance	<u>33,209,338</u>	<u>11,672,611</u>
Total Liabilities and Fund Balance	<u>\$ 90,743,014</u>	<u>\$ 30,162,032</u>

## CITY OF YONKERS, NEW YORK

EDUCATION CAPITAL PROJECTS FUND  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
Revenues:		
State aid	\$ 41,261	\$ 238,123
Miscellaneous	-	109,704
Total Revenues	41,261	347,827
Expenditures - Capital outlay	6,237,494	23,641,871
Deficiency of Revenues Over Expenditures	(6,196,233)	(23,294,044)
Other Financing Sources (Uses):		
Bonds issued	27,555,000	-
Issuance premium	348,183	-
Notes issued	-	8,090,419
Issuance costs	(170,223)	-
Total Other Financing Sources	27,732,960	8,090,419
Net Change in Fund Balance	21,536,727	(15,203,625)
Fund Balance - Beginning of Year	11,672,611	26,876,236
Fund Balance - End of Year	\$ 33,209,338	\$ 11,672,611



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## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

- **Sewer Fund** - The Sewer Fund was established pursuant to the General Municipal Law of the State of New York and is used to account for sewer operations financed by sewer rents.
- **Water Fund** - The Water Fund is used to record the water utility operations of the City which render services primarily on a user charge basis to the general public.
- **Public Library Fund** - The Public Library Fund was established pursuant to the Education Law of the State of New York and is used to account for the operations of the City's library system.
- **School Lunch Fund** - The School Lunch Fund is used to record the operations of the breakfast and lunch programs operated by the School District.
- **City Grants Fund** - The City Grants Fund is used to record the financial activity of certain federal and state funded City grant programs.
- **Special Purpose Fund** - The Special Purpose Fund is used to account for assets held by the City in accordance with the terms of a trust agreement.

### DEBT SERVICE FUNDS

- **City Debt Service Fund** - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years for the City.
- **Education Debt Service Fund** - The Education Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years for the School District.

## CITY OF YONKERS, NEW YORK

## NON-MAJOR GOVERNMENTAL FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 2012

(With Comparative Actuals for 2011)

	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	
			2012	2011
<u>ASSETS</u>				
Cash and Equivalents	\$ 2,413,296	\$ -	\$ 2,413,296	\$ 1,339,789
Investments	350,585	17,785	368,370	372,663
Receivables:				
Accounts	22,470,567	-	22,470,567	20,150,263
State and Federal aid	8,875,158	-	8,875,158	7,270,183
Due from other funds	3,620,543	485,396	4,105,939	2,747,647
	34,966,268	485,396	35,451,664	30,168,093
Inventories	158,853	-	158,853	187,741
Total Assets	<u>\$ 37,889,002</u>	<u>\$ 503,181</u>	<u>\$ 38,392,183</u>	<u>\$ 32,068,286</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 7,600,369	\$ -	\$ 7,600,369	\$ 8,026,815
Accrued liabilities	822,331	-	822,331	694,919
Retainages payable	4,836	-	4,836	4,414
Due to other funds	17,545,980	41,010	17,586,990	14,030,104
Advances from other funds	1,000,000	-	1,000,000	1,000,000
Deferred revenues	5,098,144	-	5,098,144	5,184,092
Due to retirement systems	554,016	-	554,016	551,997
Total Liabilities	32,625,676	41,010	32,666,686	29,492,341
Fund Balances (Deficits):				
Nonspendable	158,853	-	158,853	187,741
Restricted	1,136,989	40,823	1,177,812	1,117,711
Assigned	4,097,637	421,348	4,518,985	1,332,037
Unassigned	(130,153)	-	(130,153)	(61,544)
Total Fund Balances	5,263,326	462,171	5,725,497	2,575,945
Total Liabilities and Fund Balances	<u>\$ 37,889,002</u>	<u>\$ 503,181</u>	<u>\$ 38,392,183</u>	<u>\$ 32,068,286</u>

## CITY OF YONKERS, NEW YORK

## NON-MAJOR GOVERNMENTAL FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

## CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2012

(With Comparative Actuals for 2011)

	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	
			2012	2011
Revenues:				
Other tax items	\$ 4,711,927	\$ -	\$ 4,711,927	\$ 4,599,712
Departmental income	28,106,777	-	28,106,777	25,432,831
Charges for services	1,677,908	-	1,677,908	2,060,496
Use of money and property	-	17,948	17,948	12,272
State aid	4,750,278	-	4,750,278	3,688,380
Federal aid	13,064,614	-	13,064,614	13,538,871
Food sales	2,122,494	-	2,122,494	2,091,379
Miscellaneous	973,106	-	973,106	768,437
Total Revenues	55,407,104	17,948	55,425,052	52,192,378
Expenditures:				
Current:				
Public safety	5,371,120	-	5,371,120	6,658,905
Transportation	1,233,035	-	1,233,035	1,419,616
Culture and recreation	7,834,992	-	7,834,992	7,998,284
Home and community services	31,155,018	-	31,155,018	28,779,211
Employee benefits	1,929,359	-	1,929,359	1,750,207
Cost of food sales	6,996,278	-	6,996,278	6,878,962
Debt Service:				
Principal	-	52,370,633	52,370,633	37,403,674
Interest	-	17,710,416	17,710,416	19,402,536
Total Expenditures	54,519,802	70,081,049	124,600,851	110,291,395
Deficiency of Revenues Over Expenditures	887,302	(70,063,101)	(69,175,799)	(58,099,017)
Other Financing Sources (Uses):				
Bonds issued	-	15,645,000	15,645,000	-
Transfers in	12,135,394	54,914,208	67,049,602	68,837,485
Transfers out	(10,369,251)	-	(10,369,251)	(10,982,121)
Total Other Financing Sources	1,766,143	70,559,208	72,325,351	57,855,364
Net Change in Fund Balances	2,653,445	496,107	3,149,552	(243,653)
Fund Balances (Deficits) - Beginning of Year	2,609,881	(33,936)	2,575,945	2,819,598
Fund Balances - End of Year	\$ 5,263,326	\$ 462,171	\$ 5,725,497	\$ 2,575,945

## CITY OF YONKERS, NEW YORK

NON-MAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2012  
 (With Comparative Actuals for 2011)

	Sewer	Water	Public Library
<u>ASSETS</u>			
Cash and Equivalents	\$ -	\$ -	\$ 886
Investments	-	-	-
Receivables:			
Accounts	4,423,399	18,042,414	500
State and Federal aid	-	-	-
Due from other funds	-	-	1,366,351
	<u>4,423,399</u>	<u>18,042,414</u>	<u>1,366,851</u>
Inventories	-	-	-
Total Assets	<u>\$ 4,423,399</u>	<u>\$ 18,042,414</u>	<u>\$ 1,367,737</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 29,607	\$ 5,608,938	\$ 1,007,645
Accrued liabilities	16,808	79,448	120,978
Retainages payable	-	4,836	-
Due to other funds	3,374,597	9,506,838	-
Advances from other funds	-	-	-
Deferred revenues	-	-	-
Due to retirement systems	-	-	-
Total Liabilities	<u>3,421,012</u>	<u>15,200,060</u>	<u>1,128,623</u>
Fund Balances (Deficits):			
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	1,002,387	2,842,354	239,114
Unassigned	-	-	-
Total Fund Balances	<u>1,002,387</u>	<u>2,842,354</u>	<u>239,114</u>
Total Liabilities and Fund Balances	<u>\$ 4,423,399</u>	<u>\$ 18,042,414</u>	<u>\$ 1,367,737</u>

School Lunch	City Grants	Special Purpose	Total Non-Major Special Revenue Funds	
			2012	2011
\$ 10,481	\$ 1,601,477	\$ 800,452	\$ 2,413,296	\$ 1,339,789
-	-	350,585	350,585	353,339
4,254	-	-	22,470,567	20,150,263
533,754	8,341,404	-	8,875,158	7,270,183
1,519,975	725,296	8,921	3,620,543	2,678,365
2,057,983	9,066,700	8,921	34,966,268	30,098,811
158,853	-	-	158,853	187,741
<u>\$ 2,227,317</u>	<u>\$ 10,668,177</u>	<u>\$ 1,159,958</u>	<u>\$ 37,889,002</u>	<u>\$ 31,979,680</u>
\$ -	\$ 931,210	\$ 22,969	\$ 7,600,369	\$ 8,026,815
469,393	135,704	-	822,331	694,919
-	-	-	4,836	4,414
161,426	4,503,119	-	17,545,980	13,907,562
1,000,000	-	-	1,000,000	1,000,000
-	5,098,144	-	5,098,144	5,184,092
554,016	-	-	554,016	551,997
2,184,835	10,668,177	22,969	32,625,676	29,369,799
158,853	-	-	158,853	187,741
-	-	1,136,989	1,136,989	1,084,257
13,782	-	-	4,097,637	1,399,427
(130,153)	-	-	(130,153)	(61,544)
42,482	-	1,136,989	5,263,326	2,609,881
<u>\$ 2,227,317</u>	<u>\$ 10,668,177</u>	<u>\$ 1,159,958</u>	<u>\$ 37,889,002</u>	<u>\$ 31,979,680</u>

## CITY OF YONKERS, NEW YORK

NON-MAJOR SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 YEAR ENDED JUNE 30, 2012  
 (With Comparative Actuals for 2011)

	Sewer	Water	Public Library
Revenues:			
Other tax items	\$ -	\$ 4,711,927	\$ -
Departmental income	4,919,333	22,226,396	85,579
Charges for services	-	237,908	-
State aid	-	-	47,564
Federal aid	-	-	-
Food sales	-	-	-
Miscellaneous	-	-	41,057
Total Revenues	4,919,333	27,176,231	174,200
Expenditures:			
Current:			
Public safety	-	-	-
Transportation	-	-	-
Culture and recreation	-	-	7,647,938
Home and community services	1,303,004	22,380,869	-
Employee benefits	-	-	-
Cost of food sales	-	-	-
Total Expenditures	1,303,004	22,380,869	7,647,938
Excess (Deficiency) of Revenues Over Expenditures	3,616,329	4,795,362	(7,473,738)
Other Financing Sources (Uses):			
Transfers in	-	3,554,197	8,581,197
Transfers out	(3,554,197)	(5,814,395)	(994,684)
Total Other Financing Sources (Uses)	(3,554,197)	(2,260,198)	7,586,513
Net Change in Fund Balances	62,132	2,535,164	112,775
Fund Balances - Beginning of Year	940,255	307,190	126,339
Fund Balances - End of Year	\$ 1,002,387	\$ 2,842,354	\$ 239,114

School Lunch	City Grants	Special Purpose	Total Non-Major Special Revenue Funds	
			2012	2011
\$ -	\$ -	\$ -	\$ 4,711,927	\$ 4,599,712
-	875,469	-	28,106,777	25,432,831
-	1,440,000	-	1,677,908	2,060,496
219,556	4,483,158	-	4,750,278	3,688,380
6,480,204	6,584,410	-	13,064,614	13,538,871
2,122,494	-	-	2,122,494	2,091,379
-	692,263	239,786	973,106	768,437
<u>8,822,254</u>	<u>14,075,300</u>	<u>239,786</u>	<u>55,407,104</u>	<u>52,180,106</u>
-	5,371,120	-	5,371,120	6,658,905
-	1,233,035	-	1,233,035	1,419,616
-	-	187,054	7,834,992	7,998,284
-	7,471,145	-	31,155,018	28,779,211
1,929,359	-	-	1,929,359	1,750,207
6,996,278	-	-	6,996,278	6,878,962
<u>8,925,637</u>	<u>14,075,300</u>	<u>187,054</u>	<u>54,519,802</u>	<u>53,485,185</u>
<u>(103,383)</u>	<u>-</u>	<u>52,732</u>	<u>887,302</u>	<u>(1,305,079)</u>
-	-	-	12,135,394	12,025,488
<u>(5,975)</u>	<u>-</u>	<u>-</u>	<u>(10,369,251)</u>	<u>(10,982,121)</u>
<u>(5,975)</u>	<u>-</u>	<u>-</u>	<u>1,766,143</u>	<u>1,043,367</u>
<u>(109,358)</u>	<u>-</u>	<u>52,732</u>	<u>2,653,445</u>	<u>(261,712)</u>
<u>151,840</u>	<u>-</u>	<u>1,084,257</u>	<u>2,609,881</u>	<u>2,871,593</u>
<u>\$ 42,482</u>	<u>\$ -</u>	<u>\$ 1,136,989</u>	<u>\$ 5,263,326</u>	<u>\$ 2,609,881</u>



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CITY OF YONKERS, NEW YORK

SEWER FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Accounts Receivable	<u>\$ 4,423,399</u>	<u>\$ 4,380,733</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 29,607	\$ 77,324
Accrued liabilities	16,808	33,131
Due to other funds	<u>3,374,597</u>	<u>3,330,023</u>
Total Liabilities	3,421,012	3,440,478
Fund Balance - Assigned	<u>1,002,387</u>	<u>940,255</u>
Total Liabilities and Fund Balance	<u>\$ 4,423,399</u>	<u>\$ 4,380,733</u>

## CITY OF YONKERS, NEW YORK

## SEWER FUND

## COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND

## CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

## YEARS ENDED JUNE 30, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues -				
Departmental income	\$ 5,062,069	\$ 5,062,069	\$ 4,919,333	\$ (142,736)
Expenditures - Current -				
Home and community services	1,777,102	1,777,102	1,303,004	474,098
Excess of Revenues Over Expenditures	3,284,967	3,284,967	3,616,329	331,362
Other Financing Uses -				
Transfers out	(3,554,197)	(3,554,197)	(3,554,197)	-
Net Change in Fund Balance	(269,230)	(269,230)	62,132	331,362
Fund Balance - Beginning of Year	269,230	269,230	940,255	671,025
Fund Balance - End of Year	\$ -	\$ -	\$ 1,002,387	\$ 1,002,387

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,768,560	\$ 4,768,560	\$ 5,035,218	\$ 266,658
1,686,928	1,686,928	1,348,716	338,212
3,081,632	3,081,632	3,686,502	604,870
(3,385,308)	(3,385,308)	(3,385,308)	-
(303,676)	(303,676)	301,194	604,870
303,676	303,676	639,061	335,385
\$ -	\$ -	\$ 940,255	\$ 940,255

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## CITY OF YONKERS, NEW YORK

WATER FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2012 AND 2011

	2012	2011
<u>ASSETS</u>		
Accounts Receivable	<u>\$ 18,042,414</u>	<u>\$ 15,763,756</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 5,608,938	\$ 5,870,823
Accrued liabilities	79,448	124,462
Retainages payable	4,836	4,414
Due to other funds	<u>9,506,838</u>	<u>9,456,867</u>
Total Liabilities	15,200,060	15,456,566
Fund Balance - Assigned	<u>2,842,354</u>	<u>307,190</u>
Total Liabilities and Fund Balance	<u>\$ 18,042,414</u>	<u>\$ 15,763,756</u>

## CITY OF YONKERS, NEW YORK

## WATER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEARS ENDED JUNE 30, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other tax items	\$ 4,672,812	\$ 4,672,812	\$ 4,711,927	\$ 39,115
Departmental income	19,931,708	19,931,708	22,226,396	2,294,688
Charges for services	120,695	120,695	237,908	117,213
Total Revenues	24,725,215	24,725,215	27,176,231	2,451,016
Expenditures - Current - Home and community services	22,772,267	22,772,267	22,380,869	391,398
Excess of Revenues Over Expenditures	1,952,948	1,952,948	4,795,362	2,842,414
Other Financing Sources (Uses):				
Transfers in	3,554,197	3,554,197	3,554,197	-
Transfers out	(5,814,395)	(5,814,395)	(5,814,395)	-
Total Other Financing Uses	(2,260,198)	(2,260,198)	(2,260,198)	-
Net Change in Fund Balance	(307,250)	(307,250)	2,535,164	2,842,414
Fund Balance - Beginning of Year	307,250	307,250	307,190	(60)
Fund Balance - End of Year	\$ -	\$ -	\$ 2,842,354	\$ 2,842,354

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,559,340	\$ 4,559,340	\$ 4,599,712	\$ 40,372
17,743,408	17,743,408	18,728,567	985,159
96,200	96,200	140,496	44,296
22,398,948	22,398,948	23,468,775	1,069,827
20,970,955	20,970,955	20,905,256	65,699
1,427,993	1,427,993	2,563,519	1,135,526
3,541,153	3,541,153	3,541,153	-
(5,704,969)	(5,704,969)	(6,533,305)	(828,336)
(2,163,816)	(2,163,816)	(2,992,152)	(828,336)
(735,823)	(735,823)	(428,633)	307,190
735,823	735,823	735,823	-
\$ -	\$ -	\$ 307,190	\$ 307,190



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## CITY OF YONKERS, NEW YORK

PUBLIC LIBRARY FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2012 AND 2011

	2012	2011
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ -	\$ 606,002
Petty cash	886	886
	<u>886</u>	<u>606,888</u>
Receivables:		
Accounts	500	500
Due from other funds	1,366,351	-
	<u>1,366,851</u>	<u>500</u>
Total Assets	<u>\$ 1,367,737</u>	<u>\$ 607,388</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,007,645	\$ 383,814
Accrued liabilities	120,978	97,235
Total Liabilities	1,128,623	481,049
Fund Balance -		
Assigned	<u>239,114</u>	<u>126,339</u>
Total Liabilities and Fund Balance	<u>\$ 1,367,737</u>	<u>\$ 607,388</u>

## CITY OF YONKERS, NEW YORK

## PUBLIC LIBRARY FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEARS ENDED JUNE 30, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Departmental income	\$ 63,244	\$ 63,244	\$ 85,579	\$ 22,335
State aid	40,829	40,829	47,564	6,735
Miscellaneous	67,318	67,318	41,057	(26,261)
Total Revenues	171,391	171,391	174,200	2,809
Expenditures -				
Current -				
Culture and recreation	7,893,733	7,893,733	7,647,938	245,795
Deficiency of Revenues Over Expenditures	(7,722,342)	(7,722,342)	(7,473,738)	248,604
Other Financing Sources (Uses):				
Transfers in	8,581,197	8,581,197	8,581,197	-
Transfers out	(994,684)	(994,684)	(994,684)	-
Total Other Financing Sources	7,586,513	7,586,513	7,586,513	-
Net Change in Fund Balance	(135,829)	(135,829)	112,775	248,604
Fund Balance - Beginning of Year	135,829	135,829	126,339	(9,490)
Fund Balance - End of Year	\$ -	\$ -	\$ 239,114	\$ 239,114

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 58,204	\$ 58,204	\$ 69,889	\$ 11,685
49,436	49,436	50,270	834
72,549	72,549	70,464	(2,085)
180,189	180,189	190,623	10,434
7,813,749	7,813,749	7,832,137	(18,388)
(7,633,560)	(7,633,560)	(7,641,514)	(7,954)
8,484,335	8,484,335	8,484,335	-
(1,039,369)	(1,039,369)	(1,039,369)	-
7,444,966	7,444,966	7,444,966	-
(188,594)	(188,594)	(196,548)	(7,954)
188,594	188,594	322,887	134,293
\$ -	\$ -	\$ 126,339	\$ 126,339

## CITY OF YONKERS, NEW YORK

SCHOOL LUNCH FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2012 AND 2011

	2012	2011
<u>ASSETS</u>		
Cash - Demand deposits	\$ 10,481	\$ 7,316
Receivables:		
Accounts	4,254	5,274
State and Federal aid	533,754	524,464
Due from other funds	1,519,975	1,567,886
	<u>2,057,983</u>	<u>2,097,624</u>
Inventories	<u>158,853</u>	<u>187,741</u>
Total Assets	<u>\$ 2,227,317</u>	<u>\$ 2,292,681</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ -	\$ 330,982
Accrued liabilities	469,393	257,862
Due to other funds	161,426	-
Advances from other funds	1,000,000	1,000,000
Due to retirement systems	554,016	551,997
Total Liabilities	<u>2,184,835</u>	<u>2,140,841</u>
Fund Balance (Deficit):		
Nonspendable	158,853	187,741
Assigned	13,782	25,643
Unassigned	(130,153)	(61,544)
Total Fund Balance	<u>42,482</u>	<u>151,840</u>
Total Liabilities and Fund Balance	<u>\$ 2,227,317</u>	<u>\$ 2,292,681</u>

## CITY OF YONKERS, NEW YORK

## SCHOOL LUNCH FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEARS ENDED JUNE 30, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State aid	\$ 192,885	\$ 192,885	\$ 219,556	\$ 26,671
Federal aid	5,739,378	5,728,520	6,480,204	751,684
Food sales	2,466,495	2,406,748	2,122,494	(284,254)
Total Revenues	8,398,758	8,328,153	8,822,254	494,101
Expenditures -				
Current:				
Employee benefits	1,628,709	1,628,709	1,929,359	(300,650)
Cost of food sales	7,014,074	6,943,469	6,996,278	(52,809)
Total Expenditures	8,642,783	8,572,178	8,925,637	(353,459)
Excess (Deficiency) of Revenues Over Expenditures	(244,025)	(244,025)	(103,383)	140,642
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(5,975)	(5,975)	(5,975)	-
Total Other Financing Sources (Uses)	(5,975)	(5,975)	(5,975)	-
Net Change in Fund Balance	(250,000)	(250,000)	(109,358)	140,642
Fund Balance - Beginning of Year	250,000	250,000	151,840	(98,160)
Fund Balance - End of Year	\$ -	\$ -	\$ 42,482	\$ 42,482

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 221,728	\$ 221,728	\$ 218,651	\$ (3,077)
5,143,453	5,143,453	6,357,239	1,213,786
2,858,781	2,858,781	2,091,379	(767,402)
8,223,962	8,223,962	8,667,269	443,307
1,783,839	1,652,548	1,750,207	(97,659)
6,915,984	7,047,275	6,878,962	168,313
8,699,823	8,699,823	8,629,169	70,654
(475,861)	(475,861)	38,100	513,961
500,000	500,000	-	(500,000)
(24,139)	(24,139)	(24,139)	-
475,861	475,861	(24,139)	(500,000)
-	-	13,961	13,961
-	-	137,879	137,879
\$ -	\$ -	\$ 151,840	\$ 151,840

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## CITY OF YONKERS, NEW YORK

CITY GRANTS FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2012 AND 2011

	2012	2011
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 1,601,377	\$ -
Petty cash	100	100
	<u>1,601,477</u>	<u>100</u>
Receivables:		
State and Federal aid	8,341,404	6,745,719
Due from other funds	725,296	1,105,046
	<u>9,066,700</u>	<u>7,850,765</u>
Total Assets	<u>\$ 10,668,177</u>	<u>\$ 7,850,865</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 931,210	\$ 1,363,872
Accrued Liabilities	135,704	182,229
Due to Other Funds	4,503,119	1,120,672
Deferred Revenues	5,098,144	5,184,092
Total Liabilities	<u>\$ 10,668,177</u>	<u>\$ 7,850,865</u>

## CITY OF YONKERS, NEW YORK

## CITY GRANTS FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEARS ENDED JUNE 30, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Departmental income	\$ 2,424,685	\$ 2,424,685	\$ 875,469	\$ (1,549,216)
Charges for services	1,507,196	1,507,196	1,440,000	(67,196)
State aid	15,658,258	15,658,258	4,483,158	(11,175,100)
Federal aid	16,272,503	16,272,503	6,584,410	(9,688,093)
Miscellaneous	977,400	977,400	692,263	(285,137)
Total Revenues	<u>36,840,042</u>	<u>36,840,042</u>	<u>14,075,300</u>	<u>(22,764,742)</u>
Expenditures:				
Current:				
General government support	67,196	67,196	-	67,196
Public safety	11,681,217	11,681,217	5,371,120	6,310,097
Transportation	2,398,125	2,398,125	1,233,035	1,165,090
Home and community services	<u>22,693,504</u>	<u>22,693,504</u>	<u>7,471,145</u>	<u>15,222,359</u>
Total Expenditures	<u>36,840,042</u>	<u>36,840,042</u>	<u>14,075,300</u>	<u>22,764,742</u>
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,957,855	\$ 1,957,855	\$ 1,599,157	\$ (358,698)
4,366,229	4,366,229	1,920,000	(2,446,229)
14,103,626	14,103,626	3,419,459	(10,684,167)
16,535,928	16,535,928	7,181,632	(9,354,296)
763,525	763,525	483,512	(280,013)
<u>37,727,163</u>	<u>37,727,163</u>	<u>14,603,760</u>	<u>(23,123,403)</u>
67,196	67,196	-	67,196
15,063,208	15,063,208	6,658,905	8,404,303
2,454,644	2,454,644	1,419,616	1,035,028
20,142,115	20,142,115	6,525,239	13,616,876
<u>37,727,163</u>	<u>37,727,163</u>	<u>14,603,760</u>	<u>23,123,403</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## CITY OF YONKERS, NEW YORK

SPECIAL PURPOSE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 800,452	\$ 725,485
Investments	350,585	353,339
Due from Other Funds	<u>8,921</u>	<u>5,433</u>
Total Assets	<u>\$ 1,159,958</u>	<u>\$ 1,084,257</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Accounts payable	\$ 22,969	\$ -
Fund Balance - Restricted	<u>1,136,989</u>	<u>1,084,257</u>
Total Liabilities and Fund Balance	<u>\$ 1,159,958</u>	<u>\$ 1,084,257</u>

CITY OF YONKERS, NEW YORK

SPECIAL PURPOSE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Revenues - Miscellaneous	\$ 239,786	\$ 214,461
Expenditures - Current - Culture and recreation	<u>187,054</u>	<u>166,147</u>
Excess of Revenues Over Expenditures	52,732	48,314
Fund Balance - Beginning of Year	<u>1,084,257</u>	<u>1,035,943</u>
Fund Balance - End of Year	<u>\$ 1,136,989</u>	<u>\$ 1,084,257</u>

## CITY OF YONKERS, NEW YORK

DEBT SERVICE FUND  
 COMBINING BALANCE SHEET - SUB FUNDS  
 JUNE 30, 2012  
 (With Comparative Actuals for 2011)

	City Debt Service	Education Debt Service	Totals	
			2012	2011
<u>ASSETS</u>				
Investments	\$ 17,785	\$ -	\$ 17,785	\$ 19,324
Due from Other Funds	23,038	462,358	485,396	69,282
Total Assets	<u>\$ 40,823</u>	<u>\$ 462,358</u>	<u>\$ 503,181</u>	<u>\$ 88,606</u>
<u>LIABILITIES AND FUND BALANCES (DEFICITS)</u>				
Liabilities -				
Due to other funds	\$ -	\$ 41,010	\$ 41,010	\$ 122,542
Fund Balances (Deficits):				
Restricted	40,823	-	40,823	33,454
Assigned	-	421,348	421,348	(67,390)
Total Fund Balances (Deficits)	<u>40,823</u>	<u>421,348</u>	<u>462,171</u>	<u>(33,936)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 40,823</u>	<u>\$ 462,358</u>	<u>\$ 503,181</u>	<u>\$ 88,606</u>

## CITY OF YONKERS, NEW YORK

## DEBT SERVICE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - SUB FUNDS

YEAR ENDED JUNE 30, 2012

(With Comparative Actuals for 2011)

	City Debt Service	Education Debt Service	Totals	
			2012	2011
Revenues -				
Use of money and property	\$ 14,254	\$ 3,694	\$ 17,948	\$ 12,272
Expenditures - Debt Service:				
Principal:				
Bonds	21,525,000	13,035,000	34,560,000	36,476,000
Bond anticipation notes	16,800,000	-	16,800,000	-
Notes	459,003	-	459,003	455,621
State loan	-	200,000	200,000	200,000
State loans - retirement	-	351,630	351,630	272,053
	38,784,003	13,586,630	52,370,633	37,403,674
Interest:				
Bonds	13,014,220	4,569,903	17,584,123	19,299,919
Notes	20,936	-	20,936	25,147
State loans - retirement	-	105,357	105,357	77,470
	13,035,156	4,675,260	17,710,416	19,402,536
Total Expenditures	51,819,159	18,261,890	70,081,049	56,806,210
Deficiency of Revenues Over Expenditures	(51,804,905)	(18,258,196)	(70,063,101)	(56,793,938)
Other Financing Sources:				
Bonds issued	15,645,000	-	15,645,000	-
Transfers in	36,167,274	18,746,934	54,914,208	56,811,997
Total Other Financing Sources	51,812,274	18,746,934	70,559,208	56,811,997
Net Change in Fund Balances	7,369	488,738	496,107	18,059
Fund Balances (Deficits) - Beginning of Year	33,454	(67,390)	(33,936)	(51,995)
Fund Balances (Deficits) - End of Year	\$ 40,823	\$ 421,348	\$ 462,171	\$ (33,936)

## CITY OF YONKERS, NEW YORK

## CITY DEBT SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEARS ENDED JUNE 30, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues -				
Use of money and property	\$ 6,889	\$ 6,889	\$ 14,254	\$ 7,365
Expenditures - Debt Service:				
Principal:				
Bonds	21,525,002	21,525,002	21,525,000	2
Bond anticipation notes	1,860,000	16,800,000	16,800,000	-
Notes	-	459,003	459,003	-
State loan - retirement	3,765,690	-	-	-
	27,150,692	38,784,005	38,784,003	2
Interest:				
Bonds	13,014,222	13,014,222	13,014,220	2
Notes	-	20,936	20,936	-
State loan - retirement	1,060,866	-	-	-
	14,075,088	13,035,158	13,035,156	2
Total Expenditures	41,225,780	51,819,163	51,819,159	4
Deficiency of Revenues Over Expenditures	(41,218,891)	(51,812,274)	(51,804,905)	7,369
Other Financing Sources:				
Bonds issued	-	15,645,000	15,645,000	-
Transfers in	41,218,891	36,167,274	36,167,274	-
Total Other Financing Sources	41,218,891	51,812,274	51,812,274	-
Net Change in Fund Balance	-	-	7,369	7,369
Fund Balance - Beginning of Year	-	-	33,454	33,454
Fund Balance - End of Year	\$ -	\$ -	\$ 40,823	\$ 40,823



2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 8,276	\$ 8,276	\$ 10,382	\$ 2,106
23,130,001	23,130,001	23,130,000	1
-	-	-	-
-	455,621	455,621	-
3,277,611	-	-	-
26,407,612	23,585,622	23,585,621	1
14,266,491	14,266,491	14,235,144	31,347
-	25,147	25,147	-
1,069,436	-	-	-
15,335,927	14,291,638	14,260,291	31,347
41,743,539	37,877,260	37,845,912	31,348
(41,735,263)	(37,868,984)	(37,835,530)	33,454
-	-	-	-
41,735,263	37,868,984	37,868,984	-
41,735,263	37,868,984	37,868,984	-
-	-	33,454	33,454
-	-	-	-
\$ -	\$ -	\$ 33,454	\$ 33,454

## CITY OF YONKERS, NEW YORK

## EDUCATION DEBT SERVICE FUND

## COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND

## CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED JUNE 30, 2012 AND 2011

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Use of money and property	\$ 500	\$ 500	\$ 3,694	\$ 3,194
Expenditures - Debt Service:				
Principal:				
Bonds	13,151,584	13,151,584	13,035,000	116,584
State loan	200,000	200,000	200,000	-
State loan - retirement	272,053	272,053	351,630	(79,577)
	13,623,637	13,623,637	13,586,630	37,007
Interest:				
Bonds	4,994,941	4,994,941	4,569,903	425,038
State loan - retirement	143,856	143,856	105,357	38,499
	5,138,797	5,138,797	4,675,260	463,537
Total Expenditures	18,762,434	18,762,434	18,261,890	500,544
Deficiency of Revenues Over Expenditures	(18,761,934)	(18,761,934)	(18,258,196)	503,738
Other Financing Sources - Transfers in	18,746,934	18,746,934	18,746,934	-
Net Change in Fund Balance	(15,000)	(15,000)	488,738	503,738
Fund Balance (Deficit) - Beginning of Year	15,000	15,000	(67,390)	(82,390)
Fund Balance (Deficit) - End of Year	\$ -	\$ -	\$ 421,348	\$ 421,348

2011			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 1,890	\$ 1,890
13,346,000	13,346,000	13,346,000	-
200,000	200,000	200,000	-
272,053	272,053	272,053	-
13,818,053	13,818,053	13,818,053	-
5,064,775	5,064,775	5,064,775	-
77,470	77,470	77,470	-
5,142,245	5,142,245	5,142,245	-
18,960,298	18,960,298	18,960,298	-
(18,960,298)	(18,960,298)	(18,958,408)	1,890
18,943,013	18,943,013	18,943,013	-
(17,285)	(17,285)	(15,395)	1,890
(51,995)	(51,995)	(51,995)	-
\$ (69,280)	\$ (69,280)	\$ (67,390)	\$ 1,890

## CITY OF YONKERS, NEW YORK

FIDUCIARY FUNDS - AGENCY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012
<u>ASSETS</u>				
Cash and Equivalents	\$ 19,143,257	\$ 67,586,838	\$ 74,103,525	\$ 12,626,570
Investments	129,135	670	4,259	125,546
Accounts Receivable	248,670	5,909,028	-	6,157,698
Total Assets	<u>\$ 19,521,062</u>	<u>\$ 73,496,536</u>	<u>\$ 74,107,784</u>	<u>\$ 18,909,814</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,651,097	\$ 15,931,122	\$ 16,945,891	\$ 1,636,328
Employee Payroll Deductions	7,927,505	34,849,104	34,470,064	8,306,545
Deposits	8,639,372	7,713,896	7,689,311	8,663,957
Student Activity Funds	303,088	692,088	692,192	302,984
Total Liabilities	<u>\$ 19,521,062</u>	<u>\$ 59,186,210</u>	<u>\$ 59,797,458</u>	<u>\$ 18,909,814</u>

**STATISTICAL SECTION**  
**(UNAUDITED)**

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## Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:

Net Asset by Component

Changes in Net Asset

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

## CITY OF YONKERS, NEW YORK

NET ASSETS BY COMPONENT  
LAST TEN FISCAL YEARS

	2003	2004	2005	2006
Primary Government:				
Invested in Capital Assets,				
Net of Related Debt	\$ 92,331,113	\$ 110,601,260	\$ 118,502,984	\$ 107,094,313
Restricted	18,013,100	13,268,719	14,360,624	16,567,548
Unrestricted	<u>(83,060,127)</u>	<u>(102,145,383)</u>	<u>(90,363,518)</u>	<u>(79,012,460)</u>
Total Primary Government				
Net Assets	<u>\$ 27,284,086</u>	<u>\$ 21,724,596</u>	<u>\$ 42,500,090</u>	<u>\$ 44,649,401</u>

(1) Decrease in net assets due to initial implementation of Governmental Accounting Standards Board Statement No. 45 *"Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions"*.



2007	2008 (1)	2009	2010	2011	2012
\$ 94,752,686	\$ 106,910,542	\$ 124,459,391	\$ 138,726,316	\$ 145,785,120	\$ 152,139,303
15,864,496	14,014,825	13,152,826	15,735,859	10,091,958	10,390,761
<u>(73,274,434)</u>	<u>(188,438,710)</u>	<u>(315,242,278)</u>	<u>(470,490,453)</u>	<u>(546,741,785)</u>	<u>(632,055,187)</u>
<u>\$ 37,342,748</u>	<u>\$ (67,513,343)</u>	<u>\$ (177,630,061)</u>	<u>\$ (316,028,278)</u>	<u>\$ (390,864,707)</u>	<u>\$ (469,525,123)</u>

## CITY OF YONKERS, NEW YORK

CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS

	2003	2004	2005	2006
Expenses:				
Governmental Activities:				
General government support	\$ 69,890,139	\$ 65,986,647	\$ 69,252,148	\$ 69,727,673
Education	404,007,204	418,250,858	410,316,574	446,386,197
Public safety	144,698,564	162,127,837	181,078,461	190,446,990
Transportation	1,772,337	3,487,279	2,608,028	593,767
Culture and recreation	22,668,560	20,266,738	21,994,478	21,282,353
Home and community services	59,484,940	65,065,047	65,061,963	64,908,516
Interest	14,181,941	13,568,574	12,375,889	20,204,810
Total Primary Government Expenses	716,703,685	748,752,980	762,687,541	813,550,306
Program Revenues:				
Governmental Activities:				
Charges for services:				
General government support	8,789,243	9,984,239	10,543,299	10,517,560
Education	3,072,526	3,112,411	3,090,309	3,553,732
Public safety	6,740,371	6,662,653	6,809,716	7,748,837
Transportation	451,535	452,208	452,900	453,800
Culture and recreation	1,383,366	1,333,658	1,519,329	1,521,759
Home and community services	16,628,037	18,886,161	20,564,523	20,203,287
Operating grants and contributions	125,096,038	134,430,619	129,360,779	120,649,287
Capital grants and contributions	5,083,889	2,670,139	1,722,793	2,873,750
Total Primary Government Program Revenues	167,245,005	177,532,088	174,063,648	167,522,012
Total Primary Government net expense	(549,458,680)	(571,220,892)	(588,623,893)	(646,028,294)
General Revenues:				
Governmental Activities:				
Taxes:				
Real property taxes	183,884,789	183,577,465	222,077,836	228,291,531
Other tax items	45,158,385	49,383,267	57,938,272	64,179,579
Non-property taxes	69,312,721	71,873,218	75,206,022	89,499,197
Forfeitures	-	-	-	1,575
Unrestricted use of money and property	1,378,489	1,060,147	1,622,801	4,721,035
Sale of property and compensation for loss	-	-	-	-
Unrestricted State aid	235,540,832	249,782,003	251,452,592	237,000,752
Federal aid	44,207	54,314	-	29,206
Gain on sale of real property	-	-	-	-
Miscellaneous	4,587,010	4,146,809	1,039,709	24,414,800
Total Primary Government	539,906,433	559,877,223	609,337,232	648,137,675
Change in Net Assets				
Total Primary Government	\$ (9,552,247)	\$ (11,343,669)	\$ 20,713,339	\$ 2,109,381

(1) Decrease due to initial Implementation of Governmental Accounting Standards Board Statement No. 45 "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions".

2007	2008 (1)	2009	2010	2011	2012
\$ 83,035,170	\$ 107,208,807	\$ 106,742,971	\$ 114,557,722	\$ 92,153,380	\$ 109,233,631
469,606,585	551,126,474	576,551,439	610,339,040	584,220,136	574,517,266
207,787,247	244,053,376	253,865,905	249,200,177	253,462,854	245,285,519
2,234,883	2,602,672	3,065,761	3,748,615	3,762,332	1,644,099
24,719,057	25,499,497	24,670,215	27,174,255	20,244,726	24,923,829
73,613,403	65,682,006	73,083,760	80,486,508	78,678,985	92,983,418
20,303,610	22,333,142	23,808,854	21,830,388	22,705,567	21,507,938
881,299,955	1,018,505,974	1,061,788,905	1,107,336,705	1,055,227,980	1,070,095,700
10,621,989	11,882,117	13,283,433	11,662,302	15,196,280	16,533,157
3,671,317	3,448,088	3,140,648	3,057,251	2,648,820	2,983,150
8,335,163	9,853,742	6,610,128	8,057,938	8,995,653	7,675,845
454,737	455,814	456,850	483,993	473,027	474,493
1,774,319	1,957,550	2,196,019	2,257,067	2,548,614	2,631,213
21,363,104	18,597,391	21,972,439	23,470,866	25,569,193	29,142,758
143,292,938	82,247,581	93,129,537	106,495,033	106,646,647	90,099,855
6,118,370	9,099,083	13,653,580	6,242,682	918,951	308,144
195,631,937	137,341,366	154,442,634	161,727,132	162,997,185	149,848,615
(685,668,018)	(881,164,608)	(907,346,271)	(945,609,573)	(892,230,795)	(920,247,085)
230,149,127	243,479,848	261,820,029	275,684,037	286,255,827	292,352,321
66,695,812	77,857,974	61,293,509	66,758,036	64,637,100	72,026,152
109,959,457	106,655,950	99,234,839	96,551,065	101,458,201	115,619,511
3,250	6,250	12,150	8,275	1,175	1,600
5,111,039	3,915,975	1,114,401	498,478	270,688	256,191
-	2,789	5,212	14,770	14,628	307,875
261,290,934	339,072,658	360,379,774	347,251,203	351,076,326	342,328,128
32,734	28,887	29,018	15,346,588	8,155,256	75,522
-	-	-	-	266,270	-
5,027,291	5,288,186	13,340,621	5,098,904	5,258,895	8,407,534
678,269,644	776,308,517	797,229,553	807,211,356	817,394,366	831,374,834
\$ (7,398,374)	\$ (104,856,091)	\$ (110,116,718)	\$ (138,398,217)	\$ (74,836,429)	\$ (88,872,251)

## CITY OF YONKERS, NEW YORK

FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	2003	2004	2005	2006
General Fund:				
Reserved	\$ 9,021,279	\$ 2,961,625	\$ 3,482,359	\$ 3,227,658
Unreserved	37,616,346	33,470,936	38,967,846	43,921,474
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 46,637,625</u>	<u>\$ 36,432,561</u>	<u>\$ 42,450,205</u>	<u>\$ 47,149,132</u>
All Other Governmental Funds:				
Reserved	\$ 15,352,874	\$ 15,830,746	\$ 23,121,904	\$ 22,036,591
Unreserved, Reported In:				
Special revenue funds	5,935,783	3,447,447	11,520,406	5,993,456
Capital projects funds	22,910,483	45,622,766	127,423,466	66,247,726
Debt service funds	200,000	-	125,000	1,780,000
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 44,399,140</u>	<u>\$ 64,900,959</u>	<u>\$ 162,190,776</u>	<u>\$ 96,057,773</u>
Total Governmental Funds	<u>\$ 91,036,765</u>	<u>\$ 101,333,520</u>	<u>\$ 204,640,981</u>	<u>\$ 143,206,905</u>

- (1) Components of fund balance were reclassified with the June 30, 2011 implementation of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

2007	2008	2009	2010	2011 (1)	2012
\$ 3,655,713	\$ 3,963,954	\$ 2,482,203	\$ 2,355,246	\$ -	\$ -
36,650,000	19,830,535	19,579,485	9,231,545	-	-
-	-	-	-	10,600	3,071,221
-	-	-	-	5,638,555	10,825,579
-	-	-	-	8,866,923	20,918,509
<u>\$ 40,305,713</u>	<u>\$ 23,794,489</u>	<u>\$ 22,061,688</u>	<u>\$ 11,586,791</u>	<u>\$ 14,516,078</u>	<u>\$ 34,815,309</u>
\$ 31,430,038	\$ 7,651,747	\$ 8,634,537	\$ 7,856,804	\$ -	\$ -
14,107,503	18,025,302	25,776,070	26,725,258	-	-
65,236,523	105,753,666	77,262,515	77,911,500	-	-
4,126,560	1,495,416	569,919	(51,995)	-	-
-	-	-	-	187,741	3,219,474
-	-	-	-	29,011,827	40,776,006
-	-	-	-	6,350,000	4,850,000
-	-	-	-	29,842,285	74,846,347
-	-	-	-	7,477,234	(323,253)
<u>\$ 114,900,624</u>	<u>\$ 132,926,131</u>	<u>\$ 112,243,041</u>	<u>\$ 112,441,567</u>	<u>\$ 72,869,087</u>	<u>\$ 123,368,574</u>
<u>\$ 155,206,337</u>	<u>\$ 156,720,620</u>	<u>\$ 134,304,729</u>	<u>\$ 124,028,358</u>	<u>\$ 87,385,165</u>	<u>\$ 158,183,883</u>

## CITY OF YONKERS, NEW YORK

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	2003	2004	2005	2006
Revenues:				
Real property taxes	\$ 183,367,689	\$ 191,288,350	\$ 219,306,083	\$ 226,984,887
Other tax items	45,158,385	49,383,267	57,938,272	64,179,579
Non-property taxes	69,312,721	71,873,218	75,206,022	89,499,197
Departmental income	29,343,383	34,004,593	36,056,667	37,810,495
Charges for services	3,920,079	3,545,330	3,885,927	4,020,416
Use of money and property	2,796,821	1,800,540	3,354,158	7,937,660
Forfeitures	1,400	2,275	2,450	1,575
Sale of property and compensation for loss	23,802	350,677	834,467	18,891
Interfund revenues	6,507,161	6,635,417	6,838,485	10,470,994
State aid	313,921,201	322,740,386	324,049,163	306,302,480
Federal aid	50,846,777	62,772,367	53,352,345	50,680,799
Food sales	2,482,766	2,505,255	2,421,583	2,528,686
Miscellaneous	5,143,712	4,764,120	4,781,622	25,211,666
Total Revenues	712,825,897	751,665,795	788,027,244	825,847,325
Expenditures:				
Current:				
General government support	62,094,597	57,612,508	56,354,651	56,151,739
Education	311,373,952	330,685,076	312,240,356	337,624,743
Public safety	109,238,740	116,921,195	120,526,632	130,326,045
Transportation	1,591,706	3,247,933	2,318,588	2,030,712
Culture and recreation	16,138,651	16,183,964	16,417,399	17,358,599
Home and community services	51,670,625	57,686,146	54,626,238	52,230,188
Employee benefits	117,608,685	143,160,284	176,837,845	186,360,113
Cost of food sales	6,360,697	6,654,781	6,612,983	6,632,223
Debt service:				
Principal	22,497,526	24,568,692	22,490,873	27,430,403
Interest	13,542,702	14,106,217	13,359,900	17,293,442
Refunding bond issuance costs	-	-	1,553,524	-
Capital outlay	32,134,457	22,862,525	36,251,500	116,591,563
Total Expenditures	744,252,338	793,689,321	819,580,489	950,029,770
Deficiency of Revenues Over Expenditures	(31,426,441)	(42,023,526)	(31,563,245)	(124,382,445)
Other Financing Sources (Uses):				
Refunding bonds issued	-	-	110,250,000	-
Bonds issued	-	47,925,000	120,625,000	52,640,000
Bond anticipation notes issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	(118,389,837)	-
Issuance premium	-	543,874	15,930,225	1,085,500
Notes issued	-	3,851,407	81,101	-
Loans issued	-	-	-	-
Issuance costs	-	-	-	-
Sale of real property	-	-	400,000	-
State loan issued	-	-	-	-
State loan - retirement	-	-	17,860,665	9,222,869
Transfers in	185,515,479	208,126,882	215,096,195	234,346,883
Transfers out	(185,515,479)	(208,126,882)	(215,096,195)	(234,346,883)
Total Other Financing Sources	-	52,320,281	146,757,154	62,948,369
Net Change in Fund Balances	\$ (31,426,441)	\$ 10,296,755	\$ 115,193,909	\$ (61,434,076)
Debt Service as a Percentage of Non-Capital Expenditures	5.0%	5.0%	4.5%	5.3%

2007	2008	2009	2010	2011	2012
\$ 230,300,603	\$ 242,095,675	\$ 259,527,109	\$ 272,185,428	\$ 281,141,856	\$ 289,233,129
66,695,812	77,857,974	61,293,509	66,758,036	64,637,100	72,026,152
109,959,457	106,655,950	99,234,839	96,551,065	101,458,201	115,619,511
38,753,888	39,435,647	42,104,661	43,152,935	50,340,662	54,345,600
4,530,039	4,869,525	1,639,751	2,175,963	2,454,558	2,166,655
9,849,304	8,216,873	4,008,968	1,294,407	676,970	1,123,190
3,250	6,250	12,150	8,275	1,175	1,600
522,359	342,344	179,662	229,631	238,588	327,370
7,458,311	1,015,791	978,608	1,503,125	1,215,987	930,311
355,970,956	373,986,873	410,188,591	387,913,948	385,536,864	379,197,328
48,966,240	51,369,201	51,956,337	79,978,174	79,415,310	52,113,409
2,844,156	2,631,840	2,428,892	2,387,226	2,091,379	2,122,494
6,156,487	6,595,516	16,914,863	12,474,334	7,077,996	8,322,953
882,010,662	915,079,459	950,467,940	966,612,547	976,286,646	977,529,702
65,630,420	68,909,397	70,590,772	90,193,733	74,270,685	84,799,011
352,300,707	361,617,951	380,230,067	399,394,075	381,717,571	367,300,654
137,473,311	149,461,196	142,668,880	145,703,692	140,277,496	143,026,543
2,069,378	2,250,783	2,522,108	3,145,339	3,159,440	1,567,905
16,308,886	17,235,602	17,134,454	16,480,087	14,997,660	15,093,456
55,311,345	51,554,605	56,069,968	60,043,934	63,695,300	64,900,922
198,324,174	207,981,306	200,428,268	205,895,109	226,517,753	232,468,118
7,083,184	7,162,309	7,014,153	7,052,612	6,878,962	6,996,278
31,061,403	33,267,259	36,245,417	45,957,628	38,063,952	53,303,407
20,488,649	23,010,388	24,754,281	22,349,835	22,037,297	19,730,990
-	-	-	-	-	-
44,129,784	48,815,452	65,009,129	49,050,934	52,433,957	46,219,673
930,181,241	971,266,248	1,002,667,497	1,045,266,988	1,024,050,073	1,035,406,957
(48,170,579)	(56,186,789)	(52,199,557)	(78,654,441)	(47,763,427)	(57,877,255)
-	-	-	-	-	-
48,875,000	56,675,000	14,164,000	51,021,000	-	113,130,000
-	-	5,400,000	14,800,000	2,000,000	-
-	-	-	-	-	-
2,243,130	1,026,072	-	1,041,051	-	5,162,591
-	-	10,219,666	1,516,019	8,090,419	-
-	-	-	-	-	341,770
-	-	-	-	-	(170,223)
-	-	-	-	200,000	-
-	-	-	-	829,815	-
9,051,881	-	-	-	-	-
270,894,250	271,901,282	290,023,383	294,171,762	290,798,606	296,975,124
(270,894,250)	(271,901,282)	(290,023,383)	(294,171,762)	(290,798,606)	(296,975,124)
60,170,011	57,701,072	29,783,666	68,378,070	11,120,234	118,464,138
\$ 11,999,432	\$ 1,514,283	\$ (22,415,891)	\$ (10,276,371)	\$ (36,643,193)	\$ 60,586,883

5.7%

6.1%

6.4%

128

6.8%

6.2%

7.3%

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## **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. These schedules include:

Assessed Value and Estimated Actual Value  
of Taxable Property

Direct and Overlapping Property Tax Rates,  
Per \$1,000 of Assessed Valuation

Principal Taxpayers

Property Tax Levies and Collections

Computation of Constitutional Tax Margin

## CITY OF YONKERS, NEW YORK

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**


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<u>Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Special Franchise (1)</u>	<u>Assessed Value (2)</u>
2003	\$ 302,842,000	\$ 191,615,513	\$ 13,302,000	\$ 24,688,927	\$ 532,448,440
2004	302,660,000	187,759,047	13,074,000	21,298,495	524,791,542
2005	303,029,000	187,160,976	11,980,000	18,557,215	520,727,191
2006	302,047,000	184,937,168	11,835,000	17,959,779	516,778,947
2007	303,296,000	177,493,972	11,270,000	18,624,241	510,684,213
2008	303,023,632	175,610,011	11,252,977	18,812,468	508,699,088
2009	306,533,996	170,539,144	10,279,497	15,499,698	502,852,335
2010	304,612,788	156,880,931	10,432,912	17,156,259	489,082,890
2011	299,493,453	155,332,661	10,198,215	18,822,499	483,846,828
2012	295,363,498	152,089,693	9,822,044	18,822,499	476,097,734

(1) Assessed valuation of transmission lines of Consolidated Edison and Verizon

(2) Assessed valuation for City purposes

(3) Assessed valuation for educational purposes

(4) Provided by the New York State Office of Real Property Services

Note: Estimated actual taxable value is calculated by dividing taxable assessed value by the state special equalization rate. Tax rates are per \$1,000 of assessed value.

Plus Veteran's Exemption	Total Taxable Assessed Value (3)	State Special Equalization Rate (4)	Estimated Actual Taxable Value	Total Direct Tax Rate
\$ 9,007,627	\$ 541,456,067	3.93 %	\$ 13,777,508,066	\$ 380.85
8,620,508	533,412,050	3.67	14,534,388,283	405.82
7,397,743	528,124,934	3.08	17,146,913,442	466.57
6,956,154	523,735,101	2.78	18,839,392,122	488.72
7,087,789	517,772,002	2.14	24,194,953,364	503.38
8,700,433	517,399,521	2.34	22,111,090,641	528.43
7,590,723	510,443,058	2.56	19,939,181,953	568.08
7,696,865	496,779,755	2.83	17,554,054,947	600.75
7,700,399	491,547,227	2.71	18,138,274,059	624.76
8,155,530	484,253,264	2.63	18,412,671,635	654.78

CITY OF YONKERS, NEW YORK

DIRECT AND OVERLAPPING PROPERTY TAX RATES,  
PER \$1,000 OF ASSESSED VALUATION  
LAST TEN FISCAL YEARS

Year	City Direct Rate (1)	Overlapping Rates Westchester County		
		Operating	Sewer Districts (2)	Refuse Disposal District
2003	\$ 380.85	\$ 70.29	\$ 9.59	\$ 9.73
2004	405.82	91.53	11.12	11.09
2005	466.57	89.44	11.31	10.77
2006	488.72	94.76	12.20	10.92
2007	503.38	99.79	13.78	11.04
2008	528.43	123.69	11.76	16.49
2009	568.08	126.24	18.10	11.75
2010	600.75	122.15	19.26	11.48
2011	624.76	120.42	19.10	11.61
2012	654.78	117.60	18.51	11.35

(1) A single direct property tax rate applies to all classes of real property.

(2) Average rate for five sewer districts

Source: City of Yonkers Department of Finance

## CITY OF YONKERS, NEW YORK

## PRINCIPAL TAXPAYERS

## CURRENT YEAR AND NINE YEARS AGO

2012				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Net Assessed Valuation
1	Con Edison	Utility	\$ 27,792,758	5.74 %
2	Cali So. West. Realty Assoc.	Office Park	3,671,100	0.76
3	City of New York Water Supply	Utility	2,860,900	0.59
4	Acklinis Assoc.	Shopping Center	2,302,500	0.48
5	Verizon	Utility	1,969,307	0.41
6	Crestwood Lake Apartments	Apartments	1,708,465	0.35
7	AAC Cross County Mall LLC	Shopping Mall	1,665,500	0.34
8	Sadore Lane Gardens	Apartments	1,477,586	0.31
9	Hudson View Assoc. LLC	Apartments	1,236,500	0.26
10	Fleetwood Park Corp.	Shopping Center	1,190,607	0.25
	Total		<u>\$ 45,875,223</u>	<u>9.49 %</u>
2003				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Net Assessed Valuation
1	Con Edison	Utility	\$ 34,161,824	6.31 %
2	Marx Realty	Shopping Center	6,736,280	1.24
3	Verizon	Utility	3,070,327	0.57
4	Acklinis Realty Holding	Shopping Center	2,910,800	0.54
5	City of New York Water Supply	Utility	2,860,900	0.53
6	Yonkers Racing Corp.	Harness Racing	2,403,300	0.44
7	Sadore Lane Gardens	Apartments	1,956,222	0.36
8	Cali So. West. Realty Assoc.	Office Park	1,658,150	0.31
9	Lilac New York Corp.	Shopping Center	1,655,500	0.31
10	KGL Yonkers Associates	Shopping Center	1,620,900	0.30
	Total		<u>\$ 59,034,203</u>	<u>10.91 %</u>

Source: City of Yonkers Assessor's Office.

## CITY OF YONKERS, NEW YORK

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 205,030,000	\$ 199,274,091	97.19 %	\$ 5,252,551	\$ 204,526,642	99.75 %
2004	215,171,170	209,270,238	97.26	5,432,834	214,703,072	99.78
2005	245,151,170	238,722,634	97.38	6,274,027	244,996,661	99.94
2006	254,836,170	248,817,723	97.64	5,583,144	254,400,867	99.83
2007	259,913,858	252,975,394	97.33	6,224,823	259,200,217	99.73
2008	272,356,847	265,440,419	97.46	6,219,601	271,660,020	99.74
2009	288,912,696	278,796,348	96.50	9,013,046	287,809,394	99.62
2010	297,192,534	286,263,245	96.32	9,017,290	295,280,535	99.36
2011	305,699,826	292,001,250	95.52	6,189,118	298,190,368	97.54
2012	315,524,266	302,517,073	95.88	289,893	302,806,966	95.97

(1) Includes amounts for City and educational purposes

City of Yonkers Department of Finance as of August 31, 2012

## CITY OF YONKERS, NEW YORK

## COMPUTATION OF CONSTITUTIONAL TAX MARGIN

JUNE 30, 2012

Assessment Roll			State Special Equalization Ratio	Full Valuation
Year	Budget Year	Assessed Valuation		
2011	2012	\$ 484,253,264	2.63 %	\$ 18,412,671,635
2010	2011	491,547,227	2.71	18,138,274,059
2009	2010	496,779,755	2.83	17,554,054,947
2008	2009	510,443,058	2.56	19,939,181,953
2007	2008	517,399,521	2.34	22,111,090,641
Total Five Year Full Valuation				<u>\$ 96,155,273,235</u>
Five Year Average Full Valuation of Taxable Real Property				<u>\$ 19,231,054,647</u>
Tax Levying Limitation - 2% of Average Full Valuation				384,621,093
Total Exclusions				<u>54,062,595</u>
Maximum Taxing Power				438,683,688
Total Levy for 2011-12				<u>315,524,266</u>
Tax Margin				<u>\$ 123,159,422</u>

## Constitutional Tax Limit - Last Ten Fiscal Years:

Year	Maximum Taxing Power	Tax Levy	Tax Limit Available	Percent Exhausted
2003	\$ 220,697,479	\$ 206,030,000	\$ 15,667,479	92.90 %
2004	293,291,207	215,171,170	78,120,037	73.36
2005	325,092,526	245,151,170	79,941,356	75.41
2006	351,817,363	254,836,170	96,981,193	72.43
2007	396,782,670	259,913,858	136,868,812	65.51
2008	430,355,891	272,356,847	157,999,044	63.29
2009	523,669,328	288,912,696	234,756,632	55.17
2010	539,391,129	297,192,534	242,198,595	55.10
2011	506,259,929	305,699,826	200,560,103	60.38
2012	438,683,688	315,524,266	123,159,422	71.93

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## **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. These schedules include:

Ratios of Outstanding Debt by Type

Ratios of Net General Bonded Debt Outstanding

Direct and Overlapping Governmental Activities Debt

Legal Debt Margin Information

## CITY OF YONKERS, NEW YORK

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Mortgage	Notes	Bond Anticipation Note	State Loan
2003	\$ 268,151,000	\$ 576,387	\$ 787,811	\$ -	\$ 5,400,000
2004	292,280,000	413,229	4,229,684	-	5,200,000
2005	390,660,000	237,841	3,950,300	-	5,000,000
2006	418,105,000	-	3,572,742	-	4,800,000
2007	438,635,000	-	3,284,907	-	4,600,000
2008	465,610,000	-	2,977,311	-	4,400,000
2009	447,279,000	-	12,859,206	5,400,000	4,200,000
2010	462,136,000	-	13,554,877	14,800,000	4,000,000
2011	425,660,000	-	20,529,397	16,800,000	3,800,000
2012	504,230,000	-	19,137,620	-	3,600,000

(1) - Population and personal income data can be found in the schedule of demographic and economic statistics

Notes: 1) Schedule excludes state loan payable - retirement and loan payable for community development

2) Details regarding the City's outstanding debt can be found in the notes to financial statements

Total Gross Long-Term Debt	Less: Amounts Available in Debt Service Fund	Net Long-Term Debt	Percentage of Personal Income (1)	Per Capita (1)
\$ 274,915,198	\$ 558,555	\$ 274,356,643	6.14 %	\$ 1,399
302,122,913	109,650	302,013,263	6.76	1,540
399,848,141	1,473,229	398,374,912	8.91	2,032
426,477,742	5,407,115	421,070,627	9.42	2,147
446,519,907	5,331,907	441,188,000	8.17	2,230
472,987,311	1,916,041	471,071,270	8.67	2,364
469,738,206	586,705	469,151,501	8.01	2,327
494,490,877	-	494,490,877	8.53	2,459
466,789,397	-	466,789,397	7.74	2,382
526,967,620	462,171	526,505,449	8.92	2,687

## CITY OF YONKERS, NEW YORK

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Long-Term Debt	Percentage of Actual Taxable Value of Property	Percentage of Personal Income (1)	Per Capita (1)
2003	\$ 268,151,000	\$ 558,555	\$ 267,592,445	0.02 %	5.99 %	\$ 1,365
2004	292,280,000	109,650	292,170,350	0.02	6.54	1,490
2005	390,660,000	1,473,229	389,186,771	0.02	8.71	1,985
2006	418,105,000	5,407,115	412,697,885	0.02	9.23	2,105
2007	438,635,000	5,331,907	433,303,093	0.02	8.03	2,190
2008	465,610,000	1,916,041	463,693,959	0.02	8.53	2,327
2009	447,279,000	586,705	446,692,295	0.02	7.62	2,216
2010	462,136,000	-	462,136,000	0.03	7.97	2,298
2011	425,660,000	-	425,660,000	0.02	7.06	2,172
2012	504,230,000	462,171	503,767,829	0.03	8.53	2,571

(1) - Population and personal income data can be found in the schedule of demographic and economic statistics

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements

## CITY OF YONKERS, NEW YORK

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2012

<u>Government Unit</u>	<u>Net Long-Term Debt Outstanding (1)</u>	<u>Percentage Applicable to Yonkers (2)</u>	<u>Amount Applicable to Yonkers</u>
County of Westchester	\$ 1,012,426,484	9.40 %	\$ 95,164,591
Total Direct Debt			<u>526,967,620</u>
Net Direct and Overlapping Debt			<u>\$ 622,132,211</u>

(1) At December 31, 2012. Excludes the amount available for repayment in the Debt Service Fund

(2) The percentage of overlapping debt applicable is estimated using taxable assessed values.

Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the government's boundaries and dividing it by the City's total taxable assessed value.

Source: City of Yonkers and County of Westchester Finance Departments.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City.

This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

## CITY OF YONKERS, NEW YORK

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	2003	2004	2005	2006
Debt Limit	\$ 841,717,727	\$ 1,143,534,703	\$ 1,293,044,763	\$ 1,386,868,017
Total Net Debt Applicable to Limit	233,012,441	259,379,069	354,571,145	371,929,416
Legal Debt Margin	<u>\$ 608,705,286</u>	<u>\$ 884,155,634</u>	<u>\$ 938,473,618</u>	<u>\$ 1,014,938,601</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	27.68%	22.68%	27.42%	26.82%

## Legal Debt Margin Calculation for Fiscal Year 2012

Assessment Roll		Assessed Valuation	State Special Equalization Ratio	Full Valuation
Year	Budget Year			
2011	2012	\$ 484,253,264	2.63	% \$ 18,412,671,635
2010	2011	491,547,227	2.71	18,138,274,059
2009	2010	496,779,755	2.83	17,554,054,947
2008	2009	510,443,058	2.56	19,939,181,953
2007	2008	517,399,521	2.34	22,111,090,641
Total Five Year Full Valuation				<u>\$ 96,155,273,235</u>
Five Year Average Full Valuation of Taxable Real Property				<u>19,231,054,647</u>
Debt Limit - 9% of Five Year Average Full Valuation				<u>1,730,794,918</u>
Outstanding City Debt:				
Serial Bonds		504,230,000		
Bond Anticipation Notes		<u>975,000</u>		<u>505,205,000</u>
Less:				
Exclusion for Water Debt				25,676,015
Appropriations				<u>33,474,446</u>
				<u>59,150,461</u>
Net Indebtedness Subject to Debt Limit				<u>446,054,539</u>
Net Debt Contracting Margin				<u>\$ 1,284,740,379</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 1,571,333,958	\$ 1,760,577,844	\$ 2,052,451,328	\$ 2,188,783,138	\$ 2,283,392,221	\$ 1,730,794,918
<u>384,289,854</u>	<u>406,881,704</u>	<u>392,933,854</u>	<u>425,905,851</u>	<u>416,674,184</u>	<u>446,054,539</u>
<u>\$ 1,187,044,104</u>	<u>\$ 1,353,696,140</u>	<u>\$ 1,659,517,474</u>	<u>\$ 1,762,877,287</u>	<u>\$ 1,866,718,037</u>	<u>\$ 1,284,740,379</u>
24.46%	23.11%	19.14%	19.46%	18.25%	25.77%

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## Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. These schedules include:

Demographic Statistics

Principal Employers

## CITY OF YONKERS, NEW YORK

DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Population (1)	Personal Income	Per Capita Income (1)	Unemployment Rate (2)
2003	196,086 (3)	4,469,388,198	\$ 22,793	5.60 %
2004	196,086	4,469,388,198	22,793	5.60
2005	196,086	4,469,388,198	22,793	5.10
2006	196,086	4,469,388,198	22,793	4.90
2007	197,852	5,397,798,264	27,282	4.70
2008	199,244	5,435,774,808	27,282	5.80
2009	201,588	5,859,558,396	29,067	8.70
2010	201,066	5,797,738,110	28,835	9.00
2011	195,976 (4)	6,028,417,736	30,761	8.20
2012	195,976 (4)	5,904,168,952	30,127	8.90

Sources: (1) Source: U.S. Department of Commerce, Bureau of Census and  
City of Yonkers Planning Board  
(2) New York State Department of Labor. Calendar year annualized average  
(3) 2000 U.S. Census  
(4) 2010 U.S. Census

## CITY OF YONKERS, NEW YORK

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

EMPLOYER	2012		2003	
	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
Yonkers Raceway Corporation	1,400	1.50 %	500	0.55 %
Pop Displays	720	0.77	-	-
Liberty Lines	625	0.67	230	0.25
Stew Leonards	600	0.64	-	-
Consumer Union	500	0.54	400	0.44
Kawasaki Rail Car	445	0.48	225	0.25
Domino Foods Inc (Refined Sugar)	320	0.34	278	0.30
Ecker Windows	300	0.32	-	-
America Bus Associates	300	0.32	-	-
American Specialties	251	0.27	-	-
	<u>4,061</u>	<u>4.35 %</u>	<u>1,133</u>	<u>1.24 %</u>

Source: Yonkers Planning Bureau, Yonkers IDA

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## Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. These schedules include:

Full-Time Equivalent City Government Employees by Function

Operating Indicators by Function/Program

Capital Asset Statistics by Function/Program

CITY OF YONKERS, NEW YORK

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

Function	Full-time Equivalent Employees as of June 30,			
	2003	2004	2005	2006
General Government	368	376	364	354
Public Safety	1,195	1,197	1,199	1,186
Culture and Recreation	192	193	190	185
Home and Community Services	355	355	368	352
Total	<u>2,110</u>	<u>2,121</u>	<u>2,121</u>	<u>2,077</u>

Source: City's Finance Department

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2007	2008	2009	2010	2011	2012
349	361	357	354	323	319
1,203	1,224	1,224	1,223	1,174	1,222
186	186	181	177	170	170
345	347	346	332	325	359
<u>2,083</u>	<u>2,118</u>	<u>2,108</u>	<u>2,086</u>	<u>1,992</u>	<u>2,070</u>

## CITY OF YONKERS, NEW YORK

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

	2003	2004	2005	2006
General Government Support:				
Building permits issued	1,268	1,430	1,382	1,454
Building inspections conducted	n/a	n/a	n/a	22,877
Public Safety:				
Police:				
Physical arrests	4,594	4,867	5,660	6,270
Parking violations	160,582	164,361	160,876	153,647
Fire:				
Emergency responses	15,579	17,010	16,807	15,010
Fires extinguished	1,655	1,757	1,717	1,202
Inspections	2,700	2,678	2,712	2,601
Culture and Recreation:				
Recreation:				
Adult programs	22	22	22	22
Children's programs	10	15	15	15
Teen centers	17	17	17	17
Senior citizen's programs	17	17	16	16
Boys and girls club	12	12	12	12
Swim programs- adults	13	13	13	13
Swim programs - youths	28	31	31	31
Pre-school classes	10	10	10	10
Open gyms	3	3	3	3
Special events	50	50	50	50
Library:				
Volumes in collections	622,538	718,346	756,567	712,918
Circulation	881,683	876,040	901,850	899,448
Home and Community Services:				
Water:				
Average daily consumption (millions of gallons)	29,539	26,641	28,164	27,700
Peak daily consumption (millions of gallons)	40,024	35,496	36,224	37,024
Refuse:				
Refuse collected (tons per day)	437	451	451	560
Recyclables collected (tons per day)	191	257	257	630
Total refuse tons	113,512	117,294	115,805	111,000
Total recycling tons	49,574	66,727	76,905	76,700

Note: "N/A" indicates data not available.

Sources: Various City departments



2007	2008	2009	2010	2011	2012
1,252	1,418	1,344	1,303	1,371	1,598
14,532	15,415	14,293	16,822	15,557	13,306
6,233	6,391	5,827	6,374	6,100	6,131
159,435	156,605	161,489	153,631	217,404	147,570
14,662	15,148	14,242	14,949	14,949	14,701
1,223	2,450	1,168	1,613	1,613	944
2,424	4,600	552	1,970	1,970	3,045
35	56	56	56	56	99
40	46	46	46	46	94
17	7	7	7	7	6
30	26	26	26	26	35
12	12	12	12	12	12
15	15	15	15	15	58
35	44	44	44	44	238
11	11	10	10	10	39
3	-	3	3	3	2
50	50	50	50	50	60
749,098	702,449	737,571	753,503	769,435	650,295
985,176	1,024,186	881,130	855,798	868,285	920,250
27,700	27,662	28,000	29,670	29,550	27,037
37,024	33,620	36,096	39,200	39,425	37,795
566	402	409	370	395	367
639	220	226	171	199	201
111,042	104,599	106,340	96,147	102,700	91,581
76,763	57,251	58,760	44,482	51,740	50,110

## CITY OF YONKERS, NEW YORK

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

	2003	2004	2005	2006
General Government Support:				
Number of general government buildings	24	25	25	25
Public Safety:				
Number of police stations	8	8	8	8
Number of fire stations	12	12	12	12
Patrol units	20	20	20	20
Transportation:				
Miles of streets	292	292	292	292
Number of street lights	26,000	26,000	26,000	26,000
Number of traffic signals	201	201	201	201
Culture and Recreation:				
Number of community centers	4	4	4	4
Number of parks	73	76	76	76
Acres of parks	400	410	410	410
Playgrounds	53	53	53	53
Baseball/softball diamonds	57	57	57	57
Outdoor tennis courts	23	23	23	23
Soccer fields	28	30	30	30
Basketball courts	48	48	48	48
Parks ancillary buildings	17	17	18	18
Rifle range	1	1	1	1
Indoor pool	1	1	1	1
Skating center	1	1	1	1
Animal shelter	1	1	1	1
Nature trails	2	2	2	2
Greenhouses	2	2	2	2
Picnic areas	2	2	2	2
Libraries	3	3	3	3
Home and Community Services:				
Miles of water mains	375	375	375	375
Fire hydrants	4,500	4,500	4,500	4,500
Miles of sanitary sewers	400	400	400	400

Sources: Various City departments

2007	2008	2009	2010	2011	2012
25	25	25	25	25	25
8	8	11	11	11	11
12	12	12	12	12	12
20	20	21	21	21	21
292	292	292	292	292	292
26,000	26,000	26,000	26,000	26,000	26,000
201	201	201	201	201	201
6	6	5	5	5	5
76	76	76	76	76	76
410	410	410	410	410	410
53	53	53	53	53	53
57	57	57	57	57	57
23	23	23	23	23	23
27	27	27	27	27	27
48	48	48	48	48	48
18	18	18	18	18	18
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
2	2	2	2	2	2
2	2	2	2	2	2
3	3	3	3	3	3
375	375	375	375	375	375
4,500	4,500	4,500	4,500	4,500	4,500
400	400	400	400	400	400

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## **FEDERAL AWARDS**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

To the Honorable Mayor and City Council  
of the City of Yonkers, New York:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Yonkers, New York ("City") as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 21, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Another auditor audited the financial statements of the Education Fund, the Education Special Aid Fund, the Education Capital Projects Fund, the School Lunch Fund and the Education Debt Service Fund.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2012-01 and 2012-02 to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2012-03 to 2012-06 to be significant deficiencies.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the City in a separate letter.

This report is intended solely for the information and use of the Mayor, City Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*O'Connor Davies, LLP*

**O'Connor Davies, LLP**  
Harrison, New York  
March 21, 2013



**REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and City Council of the  
City of Yonkers, New York:

**Compliance**

We have audited the City of Yonkers, New York's ("City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

The City's basic financial statements include the operations of the Education Fund, the Education Special Aid Fund, the Education Capital Projects Fund, the School Lunch Fund and the Education Debt Service Fund. These funds were audited by another auditor. Our audit, described below, did not include the operations of these funds.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

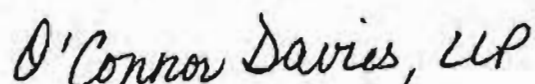
## Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the Mayor, City Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



**O'Connor Davies LLP**  
Harrison, New York  
March 21, 2013

## CITY OF YONKERS, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Non - ARRA (2)</u>	<u>ARRA (2)</u>	<u>Expenditures</u>
<u>U.S. Department of Justice</u>				
Direct Programs:				
<i>JAG Program Cluster:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 73,002	\$	\$ 73,002
Edward Byrne Memorial Justice Assistance Grant Program - ARRA	16.804		66,065	<u>66,065</u>
Subtotal JAG Program Cluster				<u>139,067</u>
Project Safe Neighborhoods	16.609	49,197		49,197
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	7,785		7,785
Public Safety Partnership and Community Policing Grant	16.710	13,504		13,504
Byrne Criminal Justice Innovation Program	16.817	136,396		136,396
Paul Coverdell Forensic Sciences Improvement Grant	16.742	3,316		3,316
Law Enforcement Assistance - FBI Crime Lab Support	16.301	153,634		<u>153,634</u>
Total U.S. Department of Justice				<u>502,899</u>
<u>U.S. Department of Labor</u>				
Indirect Programs - Passed through New York State Department of Labor:				
<i>WIA Cluster:</i>				
WIA - Adult Program	17.258	460,418	40,615	501,033
WIA - Youth Activities	17.259	472,976	184,966	657,942
WIA - Dislocated Workers	17.260	493,060	7	<u>493,067</u>
Subtotal WIA Cluster				1,652,042
Employment Service/Wagner-Peyser Funded Activities	17.207	72,633		<u>72,633</u>
Total U.S. Department of Labor				<u>1,724,675</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
<i>CDBG - Entitlement Grants Cluster:</i>				
Community Development Block Grants	14.218	5,104,963		5,104,963
Community Development Block Grants - ARRA Entitlement Grants	14.253		204,156	<u>204,156</u>
Subtotal CDBG - Entitlement Grants				<u>5,309,119</u>

(Continued)

## CITY OF YONKERS, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Concluded)  
YEAR ENDED JUNE 30, 2012

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Non - ARRA (2)</u>	<u>ARRA (2)</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development (Continued)</u>				
Home Investment Partnership Program	14.239	\$ 1,531,003	\$	\$ 1,531,003
Emergency Shelter Grants Program	14.231	129,629		129,629
Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257		444,284	444,284
				7,414,035
Indirect Program -				
Passed through the City of New York -				
Housing Opportunities for Persons with AIDS Program	14.241	329,592		329,592
Total U.S. Department of Housing and Urban Development				7,743,627
<u>U.S. Department of Transportation</u>				
Direct Program -				
Highway Planning and Construction	20.205	312,548		312,548
<u>U.S. Department of Homeland Security</u>				
Direct Program -				
Staffing for Adequate Fire and Emergency Response	97.083	1,595,452		1,595,452
Indirect Programs:				
Passed through New York State Division of Homeland Security and Emergency Services:				
Disaster Grants - Public Assistance	97.036	143,119		143,119
Assistance to Firefighters Grant	97.044	256,000		256,000
Passed through New York State Office of Homeland Security:				
Buffer Zone Protection Program	97.078	12,286		12,286
Homeland Security Grant Program	97.067	1,795,596		1,795,596
Citizen Corps	97.053	46,964		46,964
Total U.S. Department of Homeland Security				3,849,417
<u>U.S. Department of Health and Human Services</u>				
Indirect Programs -				
Passed through Westchester County:				
Aging Cluster:				
Aging - Title III, Parts A and B	93.044	112,018		112,018
Aging - Title III, Part C	93.045	225,973		225,973
Total U.S. Department of Health and Human Services				337,991
Total		\$ 13,531,064	\$ 940,093	\$ 14,471,157

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2012

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**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

1. *General*

The accompanying Schedule of Expenditures of Federal Awards presents all activity of all federal award programs for the year ended June 30, 2012. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule.

2. *Basis of Accounting*

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

3. *Relationship to Financial Statements*

The fund financial statements are presented using the modified accrual basis of accounting. The financial statements include \$37,642,252 of Federal aid that is attributable to the Yonkers City School District. That audit of compliance in accordance with OMB Circular A-133 will be issued separately by the School District's auditor.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2012

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**Finding 2011-01: Budget Amendments and Transfers**

**Condition:** Our audit disclosed that several functional expenditure categories within the General and Water funds exceeded their budget authorizations. Budget transfer authorization was not sought from the City Council or the New York State Office of the State Comptroller as fiscal agent for the City.

**Current Status:** The condition remained uncorrected. See similar finding 2012-03.

**Finding 2011-02: Capital Asset Records**

**Condition:** Capital asset records are not being maintained on an ongoing basis but are just being summarized well after year end, resulting in a significant delay in financial statement issuance.

**Current Status:** The condition remained uncorrected. See similar finding 2012-04.

**Finding 2011-03: Grant Fund**

**Condition:** Grant Fund activity is tracked on a cash basis in the accounting system while a manual spreadsheet is utilized to record accruals and deferrals. Neither finance nor departmental personnel track the status of these balances, and therefore, amounts remain on the books and are never adjusted or reconciled.

**Current Status:** The condition remained uncorrected. See similar finding 2012-05.

**Finding 2011-04: Taxes Receivable and Bank Reconciliations**

**Condition:** No systematic procedures in place to ensure monthly reconciliations of tax receivable accounts, which results in a backlog of transactions not posted to the general ledger for several months and bank reconciliations containing significant reconciling transactions that are not posted until several months later.

**Current Status:** The condition remained uncorrected. See similar finding 2012-01.

**Finding 2011-05: Matching of Federal Expenditures and Revenues**

**Condition:** Expenditures and revenues are not matched in the fiscal year that the expenditures is incurred.

**Current Status:** The condition remained uncorrected. See similar finding 2012-06.

CITY OF YONKERS, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

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**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified X Yes      No
- Significant deficiency(ies) identified? X Yes      None reported
- Noncompliance material to financial statements noted?      Yes X No

***Federal Awards***

Internal control over major programs: -

- Material weakness(es) identified?      Yes X No
- Significant deficiency(ies) identified?      Yes X None reported

Type of auditor's report issued on compliance  
for major programs:

Unqualified

Any audit findings disclosed that are  
required to be reported in accordance  
with Section 510(a) of Circular A-133?

     Yes X No

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

16.301	Law Enforcement Assistance FBI Crime Lab Support
14.218	CDBG Entitlement Grants Cluster:
14.253	Entitlement Grants
14.257	Community Development Block Grant –
97.083	ARRA Entitlement Grants
	Homelessness Prevention and Rapid Re-housing Program
	Staffing for Adequate Fire and Emergency Response

Dollar threshold used to distinguish  
between Type A and Type B programs:  
Auditee qualified as low-risk auditee?

\$434,135  
     Yes X No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

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**Section II - Financial Statement Findings**

**Finding 2012-01: Taxes Receivable**

**Criteria:** There is no systematic procedures in place to ensure that timely and complete monthly reconciliations of tax receivable accounts are prepared and reviewed by supervisory personnel.

**Condition:** A backlog of transactions not posted to the general ledger for several months. This also results in bank reconciliations containing significant reconciling transactions that are not posted for several months.

**Cause:** The City utilizes two, non-integrated software packages that must be manually reconciled by finance personnel. There is a shortage in personnel caused by budgetary constraints.

**Effect or Potential Effect:** Significant discrepancies in amounts reported in financial statements for cash, taxes receivable, deferred taxes and ultimately fund balance.

**Recommendation:** A procedure requiring personnel to reconcile these accounts on a monthly basis. A unique identifier for each batch of transaction should be utilized which can be used to more easily identify transactions when discrepancies arise.

**Management's Response:** We agree with the auditors' comments, and the following action has been taken to improve the situation. The Finance Department has budgeted additional personnel in their 2012/2013 budget request to address this issue. One of these staff members will be responsible for overseeing the tax receivable area and has expertise in accounting and reconciliation of receivables. Another staff person has been hired to focus on activities of the tax office and to address the backlog in processing of taxes and posting of transactions. These personnel, the Commissioner of Finance, and the senior staff in the tax receivables area, have been working with our MIS department to address issues with the current software package.

**Finding 2012-02: Community Development Section 108 Loan Program**

**Criteria:** There is no procedure in place to notify management of delinquent loan repayments so that management can establish proper allowances in the books and records.

**Condition:** Several of these loans made to businesses in the past are in arrears. The City has had to utilize its own resources available under its Community Development Block Grant to make the required payments.

**Cause:** The loans provided to these businesses by previous City administration were not all properly vetted.

**Effect or Potential Effect:** The City uses its resources under the CDBG Block Grant to pay these loans balances, which otherwise would have been utilized for community development purposes throughout the City. If CDBG Block Grant funds are reduced or eliminated in the future, the City's General Fund would be responsible for satisfying this obligation.



SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

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**Section II - Financial Statement Findings (Continued)**

**Finding 2012-02: Community Development Section 108 Loan Program (Continued)**

**Recommendation:** The City should actively pursue collection of all the loans utilizing all legal means it can. The City should establish a reserve against these loan balances in its books and records.

**Management's Response:** We concur with the auditors' comments. We will enhance our involvement with these loan balances and make adjustments, where necessary, in the books and records.

**Finding 2012-03: Budget Amendments and Transfers**

**Criteria:** General Municipal Law provides that no expenditure be made unless an amount has been appropriated for a particular purpose and is available.

**Condition:** Our audit disclosed several functional expenditure categories exceeded their budgetary authorizations.

**Cause:** The Administration did not seek budget transfer approval from the City Council or the New York State Comptroller's Office as fiscal agent for the City.

**Effect or Potential Effect:** The City is in violation of General Municipal Law.

**Recommendation:** The Administration should seek City Council and New York State Comptroller's Office budgetary transfer authorization before incurring any obligation.

**Management's Response:** We agree with the auditors' comments, and the following action has been taken to improve the situation. The Finance Department has implemented a new Oracle financial system in the 12/13 fiscal year that will not allow expenditures to exceed budgeted appropriations without budget transfers to cover the overages. Budget transfers must be approved by the Budget Director or the Commissioner of Finance to move the funds and they will ensure compliance with the General Municipal Law.

**Finding 2012-04: Capital Asset Records**

**Criteria:** The City was unable to provide capital asset records in a timely manner. Capital asset records are not being maintained on an ongoing basis but rather well after year end.

**Condition:** Resulted in a significant delay in the issuance of the City's financial statements.

**Cause:** Lack of personnel dedicated to tracking and maintaining capital asset records.

**Effect or Potential Effect:** Theft and/or misuse of the capital assets and material misstatement of the financial statements.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

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**Section II - Financial Statement Findings (Continued)**

**Finding 2012-04: Capital Asset Records (Continued)**

**Recommendation:** Capital assets should be reconciled to general ledger transactions in a timely manner, preferably on a monthly basis. Procedures should include tracking of additions and disposals.

**Management's Response:** We agree with the auditors' comments, and the following action has been taken to improve the situation. The Finance Department has budgeted additional personnel in their 2012/2013 budget request. One of these staff members will be responsible for capital budgeting and financing in general, and duties will include maintaining capital asset records.

**Finding 2012-05: Grant Fund**

**Criteria:** Grant Fund tracked on a cash basis in the accounting system while an excel spreadsheet is utilized to record accruals and deferrals. Neither finance nor departmental personnel track the status of these accruals and deferrals.

**Condition:** Certain receivables and deferrals remain on the books and are never adjusted.

**Cause:** Since the activities are tracked off-line once a year, City personnel are not aware these balances exist.

**Effect or Potential Effect:** Amounts will have to be written-off and the General Fund will have to absorb the charges, often without City Council approval.

**Recommendation:** These transactions should be recorded within the general ledger and not off-line. This would allow departmental personnel to monitor the activity to ensure that receivables and deferrals are properly monitored.

**Management's Response:** We agree with the auditors' comments, and the following action has been taken to improve the situation. The Finance Department has implemented a new Oracle financial system in the 2012/13 fiscal year with a Grants Module that will allow for the tracking of receivables and deferrals. In addition, the new City administration has instituted a new grant application process which ensures proper entry of new grants into the Oracle financial system.

**Finding 2012-06: Matching of Federal Expenditures and Revenues**

**Criteria:** Expenditures of Federal awards and the related revenue should be recorded as such in the fiscal year that the expenditure is incurred.

**Condition:** Expenditure was not reported as from Federal sources.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

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**Section II - Financial Statement Findings (Continued)**

**Finding 2012-06: Matching of Federal Expenditures and Revenues (Continued)**

**Cause:** Lack of coordination between the various City departments and the Finance Department.

**Effect or Potential Effect:** Lack of matching of revenues and expenditures in the same fiscal year and failure to report these expenditures in the Schedule of Expenditures of Federal Awards.

**Recommendation:** Institute policies and procedures that ensure that all departments notify the Finance Department of all federally reimbursable expenditures. This will allow finance personnel to record and track the status of unpaid amounts.

**Management's Response:** We agree with the auditors' comments, and the following action has been taken to improve the situation. The Finance Department has implemented a new Oracle financial system in the 2012/13 fiscal year with a Grants Module that will allow for the tracking of receivables and deferrals by the source of funding, including Federal funds. In addition, the new City administration has instituted a new grant application process which ensures proper entry of new grants into the Oracle financial system, which will allow finance personnel to track and monitor expenditures and revenues for Federal and State reimbursements. The new grant application and review procedures will ensure that departments have appropriate administration approvals including Finance Department involvement in setting up grants in the new Oracle financial system.

CITY OF YONKERS, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

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**Section III - Federal Award Findings and Questioned Costs**

None